

The Auditing Analytical Procedures at the Beginning and Completion Phases of Engagement Toeing Discourse Analysis

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Abstract: This study examines external auditors lived experiences on the use of the analytical procedure (AP), drawing on interpretative perspective. Interviews of 14 experts conducted with auditors of Big4 firms and the archival data from the International Standards for Auditing (ISA) constitutes the data corpus. What we lose with the apparent number of the interviewee, we gain from the stream of knowledge of the auditors. Methodologically wise, discourse analysis was applied for data analysis. Results showed that in the imagination of the auditors, the use of AP enhances the efficiency and effectiveness of the audit. However, in the day-to-day practice, due to weaknesses in the preparation and review processes, professionals do not find pleasure in it since AP is executed to meet standards. So, drawing on New Institutional Sociology theory, a search for legitimacy justifies this end. Findings raise a concern on what practitioners ought to focus on for evidence gathering. This study advances upon the disposition of the audit work, the real need for the imposition of audit procedures by regulatory bodies, and exposure of the theme in academia. Overall, considering that on this topic, quantitative studies are mostly studied, the originality of this research spans the discourse analysis toeing interpretative perspective.

KEYWORDS: External Audit, Analytical Procedure, Discourse Analysis, New Institutional Theory

1. INTRODUCTION

The organized environment in which auditing firms operate subjects them to burdensome institutional regulations. needing to refine their competencies to enable the auditors to comply with them. This calls for the requirement of specific certifications and the imposition of technical, professional, and continuous improvement (IBRACON, 2015). In this context, the audit firms are forced to revisit their work plans and strategies, often to adapt them to reality; otherwise, their legitimacy may be compromised.

In effect, this compounding regulatory process stems from the need for trust regarding the disclosed financial statements. also ensures the auditor's credibility, requiring special attention whenever a scandal involving the auditor emerges. In Brazil, cases such as those of Aracruz Celulose, Banco PanAmericano, Carrefour, Gol, Rede Dias, and Petrobras, to mention just a few, raise eyebrows concerning the conduct of external audit work in view of the application of the aforementioned competences.

For Niyama et al. (2011), the importance attributed to the performance of independent auditing is proportional to the concern with the performance of poor-quality audit work that will certify as adequate the materially distorted financial statements, making the information misleading for the users. For the authors, this fear leads to greater monitoring by regulatory bodies. On this note, could regulations improve

audit quality by preventing type II errors in substantive tests from being made by external auditors? judging that an account is acceptable when, in fact, it is not. Here the risk to be controlled is one minus the confidence level employed, i.e., the probability of a Type I error. The more popular strategy, at least as far as textual treatments are concerned, involves making an interval estimate of the audited value of an account balance and accepting the book value if it falls within the interval (Boatsman and Crooch, 1975).

DeFond and Zhang (2014) observe that the results of studies that examined the effects of the Sarbanes-Oxley Act (SOX) on the quality of audit work are ambiguous, given that, while some conclude that regulatory intervention may, in a limited way, improve audit quality, others point out that it may be prejudicial. Thus, results from this study infer a particular disharmony between the real world and the normative world. So, regulatory interventions can result in some changes to the final objective of audit work, in the case of performing procedures only to comply with a specific requirement. Nevertheless, from another perspective, meeting regulatory requirements boosts the search for legitimacy by organizations and helps them to synonymize their brands with credibility.

In the same vein, the external auditor, also referred to as an "independent auditor," exercises professional

judgment about the audit risks and also certifies whether the audit evidence obtained is enough to support the opinion, among other diverse decisions. Nonetheless, the auditors are subject to other procedures imposed by the institutions that need assurance.

Meyer and Rowan (1977) report that organizations are directed to incorporate practices and procedures defined by rationalized concepts, accepted in work, and internalized in society. For them, organizations, in doing so, increase their legitimacy and their prospects for survival, regardless of the immediate effectiveness derived from the practices and procedures adopted.

Given the aforementioned, we argue that the procedures imposed by the institutions may be in fact necessary for auditors to express an accurate opinion on the financial statements, but they may also be merely performed to comply with the imposition and do not affect the legitimacy of auditing firms. This concern motivated us to investigate the impact of applying the analytical procedure for planning and conclusion purposes in audit work.

In the Brazilian context, applying the analytical procedure in the two extreme stages of the audit work became mandatory on January 1, 2010, arising from a durable convergence between Brazil and the rest of the world, toeing the International Standards on Auditing (ISA). The current Brazilian Standards of Independent Auditing on Historical Accounting (NBC-TA) are a verbatim translation of ISA.

So, given that after a decade of transition, no significant changes related to the modus operandi of the audit work took place on this issue, we sought to understand the operationalization and use of an audit procedure introduced and required in the NBC-TA in the analytical procedures of the planning and completion stages. Furthermore, we attempted to understand whether regulatory compliance is achieved and whether it helps the auditor's professional judgment and builds on training, knowledge, and experiences acquired throughout the career.

This study fills a gap because few studies have addressed the analytical procedure for identifying and evaluating risks (the planning stage) and the overall evaluation of the work on financial statements at the end of the job (the completion stage) in the context of audit work performed in Brazil. Concerning this, Pontes et al. (2017) surveyed the CAPES Thesis and Dissertations Database to verify how the dissertations and theses produced in Brazil between 2007 and 2016 in postgraduate courses in accounting are characterized. Of the total, 13.29% had auditing expertise as a subject area, and 3.78% used discourse analysis as a data analysis technique. Porte, Saur-Amaral, and Pinho (2018) reported that 5% of the articles published in the Web of Science had audit procedures as a theme in the period of 2002–2014. Additionally, we performed a search for articles published between 2015 and 2019 in the Science Direct

database, using "analytical procedure" or "analytical review" AND "audit" as the search string. Then, publications in journals that deviated from the accounting and auditing theme were discarded, which resulted in 125 articles. None of the articles exclusively addressed the analytical procedure for planning and completion purposes in the external audit work. Similarly, a search was performed in the Web of Science database, which resulted in 4 articles. Of these, two dealt with the analytical procedure but took different approaches to this study.

De facto, prior studies have already been conducted in several countries, namely: Australia (Smith, Psaros and Holmes, 1999), Canada (Lin and Fraser, 2003), Egypt (Samaha and Hegazy, 2010), Hong Kong (Cho and Lew, 2000), Iraqi (Matrood, Abd-alrazaq and Khilkhal, 2019), South Africa (Kritzinger and Barac, 2017), Yemen (Abidin and Baabbad, 2015), United Kingdom (Mulligan and Inkster, 1999), United States (Trompeter and Wright, 2003); 2010) and Glover, Prawitt and Drake (2015) giving importance to the risk-based audit' procedures. Portugal (Pinho, 2014), Singapore (Mahathevan, 1997). However, in Brazil, studies about analytical review look very scanty, of which we aim to contribute to filling this gap.

Following this introduction, this study is structured thus: the next section (2) exposes the theoretical background. Section 3 describes the methodological aspects used to obtain and interpret the data. Section 4 highlights the analysis of data and results, while the discussions are dealt with in Section 5. Finally, section 6 presents the conclusive aspects of the research and its limitations

2. THEORETICAL BACKGROUND

2.1 Independent Audit

Silvoso (1972) defines audit as a systematic process of obtaining and evaluating evidence on economic actions and events, ensuring the degree of correspondence between such evidence, the established criteria, and the results' communicated to the interested parties. In the same vein, Imoniana (2019, p. 4) points out as the focus of the audit work the assurance of the financial statements, the issuance of the auditor's report and the assistance to the senior management of the audited entity in the process of implementing managerial strategies, such as fraud prevention and avoidance of relevant errors.

For Lopes and Martins (2005, p. 31), auditors attempt to provide certificates of reliability of the company's financial statements to investors who do not have the same access to information as administrators. In other words, the reduction of information asymmetry is a proxy for external auditing. In the same manner, Cunha and Beuren (2006), saw the professional activity of auditing associated with the perceptions of credibility, fairness, responsibility and

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reliability towards society reflected in the auditor's report. According to Imoniana (2019, p. 18), the professional philosophy is guided by the principles of evidence, due diligence, reliability of presentation, independence and professional ethics. The fundamental principles of professional ethics include integrity, objectivity, competence and professional care, confidentiality and professional behavior (Ribeiro and Coelho, 2018, p. 230).

When financial statement is examined by external auditors, it becomes an essential resource to add credibility to the information disclosed by companies (Ribeiro and Coelho, 2018, p. 17; Kajüter, Klassmann and Nienhaus, 2016; Johnstone, Gramling and Rittenberg, 2013, p. 4). Publicly held corporations must have their financial statements subject to audit by independent auditors (§ 3 of article 177 of Law 6,404/1976). Also, Law 11.638/2017 in its art. 3 determines that large companies must also have their financial statements appraised.

According to Lennox (1999), the quality of auditing services is essential to support the whole operation of capital markets. For Martins, Diniz and Miranda (2016, p. 30), the uncertainty about the information disclosed by the entities through the financial statements would increase if the auditor's report did not accompany them.

In Brazil, we can identify at least three audit regulatory bodies, the Central Bank of Brazil (BACEN), the Federal Accounting Council (CFC) and the Securities and Exchange Commission (CVM). Through the

Superintendence of Standards and Auditing, the CVM accredits and inspects the activity of external auditors and proposes auditing standards and procedures to be observed.

Independent auditors' work consists of applying audit procedures, defined as the set of techniques that make it possible to gather sufficient and adequate evidence or evidence to support their opinion (Crepaldi, 2004, p. 176), which is expressed in the so-called Auditor's Report.

Through this document, the auditor informs the standards observed in carrying out the work, the observations found during its execution and its responsibilities (Ribeiro and Coelho, 2018, p. 336; Attie, 1992, p. 282). Recently, the Key Audit Matters (KAMs) became part of the auditor's report whose object of analysis are the financial statements closed on or after December 31, 2016. Thus, matters that required significant attention from the auditors began to be communicated to the stakeholders.

Following ISA 700 and ISA 705, audit reports may contain an unmodified or modified opinion. The latter being branched into qualified opinion, adverse opinion and disclaimer of opinion, depending on the magnitude of the errors identified and the information provided by the audited entities.

The financial statements audit life cycle is divided into three stages: the planning stage, the testing stage, and the conclusion stage. As shown in Figure 1, the first stage is divided into two, beginning of work and risk assessment. The main activities of each stage are shown in this same figure.

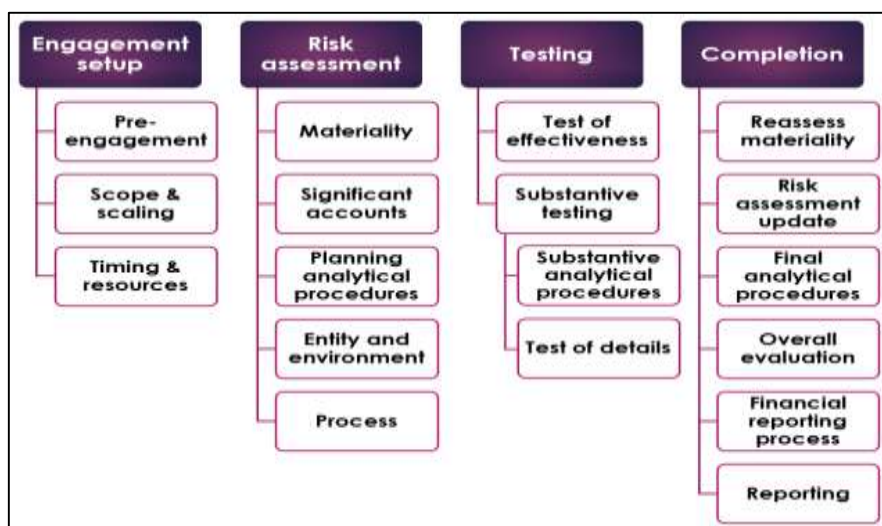


Figure 1 - Structure of the External Audit Work

Source: adapted KPMG (2017).

The planning stage involves defining the overall strategy and streamlining how the audit will be performed. The first aspect defines the scope of work, the allocation of professionals and the deadlines. In the second, the hours required for each activity are allocated, as well as the nature, timing and extent of audit procedures are defined (Hirst and Koonce, 1996). In other words, the audit plan contains the

directions that will guide the work (Ribeiro and Coelho, 2018, p. 139).

For this, an understanding of the entity to be audited is obtained, materiality is defined, internal controls and audit risks are identified and evaluated. The audit work is guided by the risk-based methodology, which focuses efforts primarily on the most significant risks in the client's business

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(Griffiths, 2005, p. 73), disregarding accounting balances with a remote probability of containing material errors (Messier-Jr., Glover and Prawitt, 2008, p. 193).

Audit risk is the auditor expressing an inappropriate opinion when the financial statements are materially incorrect (Johnstone, Gramling and Rittenberg, 2013, p. 292), being the function of the risk of material misstatement the risk of non-detection of misstatements by the auditor (Pinho, 2014). For the auditor to complete his analysis and issue his opinion, the audit risk must be considered low (Dusenbury, Reimers and Wheeler, 2000).

The risk of material misstatement is that the object analyzed contains material misstatement before the audit and is composed of two components, the inherent risk and the control risk (Ribeiro and Coelho, 2018, p. 133). The inherent risk is the susceptibility of an account balance, type of transaction or presentation to material misstatement before considering the effectiveness of related internal controls (Imoniana, 2019, p. 86; Dusenbury, Reimers and Wheeler, 2000). The control risk is that internal controls are ineffective; they fail to promptly prevent or detect material errors (Imoniana, 2019, p. 86; Dusenbury, Reimers and Wheeler, 2000).

The risk of non-detection is that the auditor will not detect material misstatements (Johnstone, Gramling and Rittenberg, 2013, p. 272). However, the auditors can control the risk through the scope of the audit procedures, being their effectiveness and the professional's ability to apply them their determinants (Messier-Jr., Glover and Prawitt, 2008, p. 71). Depending on the risk threshold established, the auditor can control the extension of tests to mitigate the risk of detection.

In the second stage, the auditors carry out the procedures included in the audit plan, aiming to obtain sufficient audit satisfaction (Telesca and Christians, 1996, p. 131), and gather evidence of the audited balances (Crepaldi, 2004, p. 175). Audit procedures are subdivided into details and substantive analytical procedures (Johnstone, Gramling and Rittenberg, 2013, p. 182). While the first consists of corroborating accounting balance through documentation, the second seeks to correlate accounting balances with economic-financial elements.

In the last step, the auditors verify if the planned audit procedures were carried out (Crepaldi, 2004, p. 495), if there is a need to extend the tests and reassess the materiality calculated in the planning stage. Finally, they make a general review of the financial statements to ensure that they have obtained sufficient understanding, both in the quantitative and qualitative aspects, helping them form the general conclusion.

2.2 Analytical Procedure

Westland (2017) reports that the AP has been implemented at least since the 1940s and was officially introduced into American auditing standards in 1970 with the

enactment of SAS 54, issued by the American Institute of Certified Public Accountants (AICPA). The use of the analytical procedure in the two extreme stages of the audit work became mandatory with the promulgation of Statement on Auditing Standards (SAS) 56 (Hirst and Koonce, 1996), an auditing standard applicable to work started on or after January 1, 1989 and also to those looking for opportunities to perform analytical procedures. Think analytical first (Houck, 2003, p. 105). In Brazil, the mandatory implementation of the initial and final stage of the audit work took place in 2009, through the enactment of NBC-TA 300 Audit Planning, NBC-TA 315 Risk Identification and Assessment and NBC-TA 520 Analytical Procedures.

The analytical procedure is a diagnostic process to identify and determine the cause of unexpected fluctuations in accounts balances and financial ratios (Abidin and Baabbad, 2015; Hoitash, Kogan and Vasarhelyi, 2006). It involves projecting balances, investigating identified deviations compared to the current balance, and, finally, explaining its reasonableness (Kritzinger and Barac, 2017). The auditor generates expectations by analyzing the plausible relationships between financial and non-financial data (Thomas and Henke, 1983). These plausible relationships certify the appropriateness of the accounting figures in the horizon of analysis.

Arens and Loebbecke (1991) mention that the entity's data must be compared with data from the previous period, the sector in which it operates, and the results projected by senior management. Inquiries to the entity's key personnel about the differences identified are essential. For Comunale, Sexton and Gara (2003), inquiries to the client as a source of evidence have been one of the most important elements, impacting the efficiency and effectiveness of audit work.

As alluded to by Appelbaum, Kogan and Miklos (2018) and shown in Figure 2, the analytical procedure (AP) is adopted at all stages of audit work; however, the present study restricted its reflections to the AP used in the first and last phase.

In planning, the AP contributes to identifying potential problem areas, thus assisting auditors in defining tests that can reduce the risk of not detecting relevant matters (Westland, 2017; Abidin and Baabbad, 2015; Glover, Jambalvo and Kennedy, 2000). The benefits generated by using the procedure at this stage are recognized by auditors and academics (Hirst and Koonce, 1996).

In turn, when performed at the conclusion stage, the procedure helps to assess the congruence of the financial statements and identify indicators that may compromise the audited entity's ability to continue operations (Abadin and Baabbad, 2015; Alani and Matarneh, 2013); Messier-Jr., Glover and Prawitt, 2008, p. 587).

When auditor interprets the information obtained through the execution of the AP, can develop robust evidence

about the financial statements (Pereira, 2011; Fraser, Hatherly and Lin, 1997; Hirst and Kooce, 1996; Daroca and Holder, 1985). The identification of errors that other procedures do not identify is one of the triumphs of the AP (Hylas and Ashton, 1982) since of the errors detected by the auditors, between 15% and 42% were through the PA (Biggs, Mock and Simnett, 1999).

Among other benefits provided to audit work by the use of AP are increased efficiency (Matrood, Abd-Alrazaq and Khilkhil, 2019; Moolman, 2017; Abidin and Baabbad, 2015) and effectiveness (Biggs, Mock and Simnett, 1999; Fraser, Hatherly and Lin, 1997; Hylas and Ashton, 1982), help to verify how top management performs its function, including monitoring (Imoniana, 2019), fraud detection (Houck, 2003; Ježovita, Tušek and Žager, 2018) and identification of earnings management by the audited entity's management (Commerford et al., 2016). The performance face, that precedes the internal control test, *de facto* substantive testing becomes well oriented. While Imoniana et al. (2012) state that substantive procedures sought from third parties form a preferred basis for auditors; for instance, confirmation letters.

According to Trompeter and Wright (2010), auditors have observed that the procedure better directs the work. Samaha and Hegazy (2010) consider, among others, that the increase in the use of computers in the field and the change from the auditing approach to a risk based one contributed to increase the adoption of the AP by auditors.

2.3 Institutional Theory

Institutional theory is part of the organizational theoretical grouping, exploring how organizational structures and actions are guided by the institutional forces that surround them (Jalaludin, Sulaiman and Ahmad, 2011) based on the premise that organizations influence and are influenced by the context in which they are located and operate (Luz et al., 2018).

The central point on which institutional theory rests is the idea of habits of a group of people since the institution is structured around routines and routines depend on habits (Guerreiro, Frezatti and Casado, 2006).

According to Zucker (1987), regulatory pressures, both internal and external, influence organizations to adopt what is imposed by regulators, ranging from standard operating procedures to professional certification requirements, often having the effect of diverting attention from the performance of organizations. Impositions by institutions are enforced through laws, regulations, norms, habits and customs (Jalaludin, Sulaiman and Ahmad, 2011).

In the light of institutional theory, individual behavior is shaped by patterns created and shared in interactions with other individuals and incorporated in the form of objective norms and rules solidified in society as

legitimate conceptions about organizations' most effective way of functioning (Fonseca and Machado-da-Silva, 2002).

Guerreiro, Frezatti and Casado (2006) state that organizations are structured based on habits dependent on routines. Routine incorporates the characteristics of a group of individuals, representing their patterns of thoughts and actions, while habit encompasses an individual's characteristics (Burns and Scapens, 2000). Habitualization is an action that, at another time, can be performed in the same way and with the same economic commitment, in addition to enabling effortless decision-making (Berger and Luckmann, 1991, p. 71).

Habit is the propensity to a certain behavior conditioned to a given situation (Hodgson, 2006; Burns and Scapens, 2000) and helps to manipulate and routinize everyday life's complexity (Carvalho and Vieira, 2003a, p. 22). Usually, groups adopt routines in an overwhelming way (Guerreiro, Frezatti and Casado, 2006), but they can become problems by becoming barriers in the organization's strategic process (Browman, 1994).

For Carvalho and Vieira (2003b), the institutional theory is a useful approach to the analysis of organizations and explain that the main theoretical question is to discover and analyze what are the values that the main social actors share in the field, what power resources they have and how they use them to achieve their goals.

The institutional focus was developed in three distinct orientations: one political, another economic and a third sociological, being treated in this study as the Old Institutional Economics (OIE), the New Institutional Economics (NIE) and the New Institutional Sociology (NIS), respectively, based on the position that institutions matter (Nee, 2005).

Both the old and the new institutionalism reacted against organizational models based on rationalist conceptions, highlighted the relationships between the organization and its environment and valued the role of culture in forming organizations. However, they diverge in political focus and the struggle of interests within and between organizations gaining ground in the analysis (Carvalho and Vieira, 2003a, p. 25).

For Scapens (2006), the OIE focuses on institutions that shape the actions and thoughts of the individual, which are ways of thinking or acting that somehow have prevalence or permanence and are embedded in the habits of groups or people's customs. In turn, for Carvalho and Vieira (2003b, p. 24), the political orientation approach is interested in issues such as the relative autonomy of political institutions in relation to society, the complexity of existing political systems and the central role played by representation and symbolism in the political universe.

NIE uses of economic reasoning to explain people's actions and the institutionalization of organizational

practices in different environments, concerned with the structures used to govern economic transactions (Scapens, 2006). In this economic aspect, importance is given to property rights, rents and transaction costs for the development and functioning of organizations, with the preponderance of Oliver Williamson's thesis, which considers that the organizational aspects of a company can be understood as an effort to reduce transaction costs (Hall and Taylor, 2003). Institutions become important mechanisms to minimize uncertainties and reduce the impact caused by limited rationality and people's opportunism.

In turn, NIS focuses on institutions in the organizational environment that shape organizational structures and systems (Scapens, 2006), seeking to understand why organizations in similar situations become similar (Scapens, 2006; Meyer and Rowan, 1977). The organizations' search for legitimacy and institutional isomorphism are at the heart of this theory. Thus, to meet the objective of this study, the institutional sociological perspective was used to provide mechanisms that help understand the role of the analytical procedure in the audit process.

The main theorists of this current era are the sociologists John W. Meyer, Paul DiMaggio and Walter W. Powell, who redirected the study of organizations by analyzing how the institutional environment and cultural beliefs shape the behavior of individuals (Nee, 2005). For Perrow (1986), the main contribution of New Institutional Sociology (NIS) to organizational theory is the emphasis on the influence of the environment by positioning legitimacy and isomorphism as vital factors for the survival of organizations (Carvalho and Vieira, 2003a, p. 25).

Organizations are predestined to be institutionalized (Zucker, 1987; DiMaggio and Powell, 1983; Meyer and Rowan, 1977) by institutions represented by the organization's sources or external sources (Zucker, 1987), covering not only rules, procedures or formal norms, but also the symbolic systems, cognitive schemata, and moral models that provide patterns of meaning that guide human action (Hall and Taylor, 1996). Institutionalization occurs whenever there is a reciprocal typification of actions habitualized by types of actors; that is, any typification of this type is an institution, and the reciprocity of institutional typifications, actions and actors of institutions should be emphasized (Berger and Luckmann, 1991, p. 72).

The institutional environment is characterized by elaborating of norms and requirements that organizations must accept to obtain support and legitimacy (Scott and Meyer, 1983, p. 140 *apud* Lammers and Garcia, 2017). In other words, it is the one that exercises over organizational structures and the work process by determining the procedures that should be used, the qualifications of its staff and the types of skills that can be used (Carvalho and Vieira, 2003a, p. 27).

The NIS addresses the organization's legitimacy in the environment in which it is placed, linked to accepting socially institutionalized procedures. By complying with institutionalized prescriptions, organizations are rewarded with the achievement of legitimacy, with access to external resources and with the reduction of uncertainties and increased transparency of their actions in the environment they are inserted (DiMaggio and Powell, 1983; Meyer and Rowan, 1977).

The institutional elements are divided into three pillars: regulatory, normative and cognitive. The first prioritizes norms, laws and sanctions, the second indicates accreditation as a mechanism for the organization's functioning. At the same time, the last considers individuals and organizations as socially constructed realities, with different capacities and means for action and objectives that vary according to their institutional context (Carvalho and Vieira, 2003a, p. 30).

Pfeffer and Salancik (2003, p. 194) give legitimacy a status granted by actors external to the organization, being noticed mainly in its absence; that is, the lack of legitimacy becomes more noticeable than its presence. For Nee (2005), legitimacy is essential. It does not depend on whether or not the organization seeks profits, given that the interests of survival and profitability in competitive markets drive the pursuit of legitimacy by organizations designed to generate profits. In contrast, non-profit organizations aim to increase access to scarce resources.

DiMaggio and Powell (1983) emphasize that changes are increasingly driven by bureaucratization and not by the search for efficiency or effectiveness and that organizations tend to adopt the same practices and structures as others that are in similar contexts in response to institutional pressures exercised on them (Luz et al., 2018). From the same perspective, Hall and Taylor (1996) and Covalski, Dirsmith and Michelman (1993) report that organizations adopt more practices accepted by society than those that could generate more efficiency and effectiveness.

At NIS, isomorphism acts as a mechanism that institutionalizes organizations (Carvalho and Vieira, 2003a, p. 31). This phenomenon corresponds to the process in which organizations are forced to accept practices similar to those adopted by other entities in the organizational environment (DiMaggio and Powell, 1983), resulting in increased homogeneity in the organizational field (Nee, 2005).

Fonseca (2003) states that isomorphism brings advantages to organizations, given that similarity facilitates inter-organizational transactions and favors their internal functioning by incorporating socially accepted rules. For the author, in a time of environmental uncertainty, competition between organizations turns to the search for resources and consumers and institutional legitimacy. In this way, two types of isomorphism emerge: the competitive one, resulting from

market pressures and exchange relations between the members of organizational space and oriented towards efficiency, and the institutional one, which includes the struggle for legitimacy (DiMaggio and Powell, 1983). Institutional isomorphism breaks down into coercive, mimetic, and normative (DiMaggio and Powell, 1983).

Coercive institutional isomorphism results from the formal and informal pressures exerted on an organization by stakeholders. Oppressors include government regulations and social, cultural, and political pressures (DiMaggio and Powell, 1983). In other words, a more robust organization exerts pressure, both formal and informal, on another that is dependent on it (Lammers and Garcia, 2017; Carvalho and Vieira, 2003a, p. 32).

Mimetic isomorphism occurs when an organization models itself after organizations confer greater legitimacy or success in the environment to which they belong (DiMaggio and Powell, 1983). An organization can imitate strategies and structural arrangements implemented by competitors to achieve the success they have achieved and seek to reduce the uncertainty caused by technological problems and conflicting objectives (Fonseca, 2003).

The professionalization of the organization's actors is rooted in normative isomorphism, given the collective search by members to define the conditions and methods of their work, to control the production of producers, and to establish a cognitive basis and legitimation for their occupational autonomy (DiMaggio and Powell, 1983).

To ensure their survival, organizations typically respond to pressures by acting following the impositions of institutions (Zucker, 1987; Tolbert and Zucker, 1983; DiMaggio and Powell, 1983; Meyer and Rowan, 1977).

From the NIS perspective, Fonseca (2003) and Fonseca and Machado-da-Silva (2002) consider that the principles of efficiency and market competitiveness are modeled within a socially constructed reality. For the authors, employees with rights and responsibilities and managers with the obligation and ability to plan, manage, direct and control are configured as actors playing socially constructed roles, endowed with different knowledge and skills to perform organizational activities.

For the NIS, the individual in the position of leader confronts choices but establishes alternatives, results, interests and objectives based on reference criteria defined and consolidated by social structures and systems such as the State, industry, professional associations, among others (Fonseca and Machado-da-Silva, 2002). In this sense, institutions influence behavior by specifying what one should do and what one can imagine doing in a given context.

2.4 Prior Studies

The literature review is relevant to contribute to the advancement of knowledge, in the sense that what already exists on the subject must be considered, preventing the work

from being trivial; about something that has already been studied (Godoy, 2006).

Thus, to understand the application of the analytical procedure in audit work, Hirst and Koonce (1996) conducted 36 interviews with North American auditors from Big6 firms. It was noted that most of the professionals interviewed apply the AP in the planning and conclusion stages. In the first phase, the procedure is used to understand the client's business, assess the risks involved and develop the work plan. In the latter, the objective is to determine whether the financial statements represent the evidence collected throughout the engagement.

Mahathevan (1997) analyzed 100 questionnaires answered by Singaporean auditors from Big6 and non-Big6 firms. For these professionals, the primary purpose of the AP in the initial stage is to identify areas with potential risks. In the final stage, it assists in the general review of financial information. On the other hand, it was found that the AP is little used to understand the client's business and detecting errors and frauds.

Smith, Psaros and Holmes (1999) concluded that Australian professionals attribute AP a significant contribution in error signaling. Different perspectives were noted between auditors of Big6 and non-Big6 firms. The former gave greater importance to the AP performed in the planning stage, while the latter considers it more relevant in the completion stage. These results were obtained after analyzing 53 answered questionnaires.

Similarly, Mulligan and Inkster (1999) investigated, through 307 questionnaires answered by auditors in the position of partners, the use of the AP in audit work in the United Kingdom. For these professionals, better targeting of problem areas and increased understanding of the client's business are provided by applying the AP.

The 286 questionnaires answered by the Hong Kong auditors support the conclusion by Cho and Lew (2000) that, from the respondents' perspective, the AP is effective in the planning stage, as it provides the identification of unusual movements and financial and operational weaknesses, in addition to favoring the understanding of the audited entity's business. In the final stage, the AP assists in forming the audit opinion due to its extreme effectiveness in the general assessment of financial information and the reasonableness of accounting balances and specific transactions.

Lin and Fraser (2003) pointed out that Canadian auditors consider that, in the planning stage, the AP directly influences the nature, timing and extent of audit procedures; however, this is not the same perspective of professionals from smaller firms. The 182 questionnaires answered, 97% of them in the position of partner or manager, revealed that the change in the audit approach to risk-based and the increase in pressure to reduce their fees contributed to the increased use of the procedure in audit work.

Samaha and Hegazy (2010) analyzed 197 questionnaires answered by Egyptian auditors from local firms and Big4 firms. It was observed that the latter are the ones that most use the procedure in their work. It was also found that the AP is widely used in the conclusion stage due to the extra need for professional assurance after the substantive tests. The AP is recognized for its effectiveness, mainly in identifying significant fluctuations in the financial statements and identifying potential operational and financial weaknesses. However, a low use of the procedure was identified, which may result from technical deficiencies and lack of experience.

Pinho (2014), when examining 92 questionnaires answered by Portuguese auditors, found that more than half of the respondents always use the AP in the planning stage, but its use is reduced at the conclusion stage. Regarding this, Abidin and Baabbad (2015) concluded that the use of the AP depends on the professional's knowledge of the subject since more experienced professionals have a greater use. The 51 questionnaires answered by Yemeni auditors portrayed that the professionals from Big4 firms employ more PA than those from other audit firms. For the authors, this is justified by the absence of standards relevant to the audit work carried out in Yemen.

Kritzinger and Barac (2017) conducted 15 in-depth interviews with South African senior managers of audit firms with 20 or more partners. From the perspective of these professionals, the application of PA adds value to the work, as it provides a better understanding of the client's business, and is a low-cost method of identifying risks. All participants stated the use of the procedure in the extreme stages of the audit work, but its use is more extensive in the final stage.

Matrood, Abd-alrazaq and Khilkhal (2019) analyzed 175 questionnaires completed by Iraqi auditors. From the respondents' perspective, the AP helps in planning, time control and especially in error detection. The absence of technical training was suggested by professionals as harmful to the execution of the AP, given that experience and technical knowledge facilitate its execution.

Unlike the auditors in South Africa, the United States, Hong Kong and the United Kingdom, those in Singapore do not see the contribution of the AP in understanding the client's business, nor in the detection of errors, as seen by the Australian and Iraqi auditors.

In all, most auditors pointed out that the execution of the AP in the planning stage helps identify problem areas. The position of these auditors demonstrate that the objective of the AP when performed in the first stage of the audit work, is achieved. The lack of regulation (Yemen), little knowledge (Egypt) and lack of training (Iraq) favor the non-use of the AP.

3. RESEARCH QUESTION AND METHODOLOGY

In order to examine the perception of external auditors on the use of the analytical procedure (AP) drawing on interpretative perspective with discourse analysis; being approach duly certified as appropriate for such study by Imoniana, Brunstein and Nova (2022); this paper sought to answer the following question: what is the perception of the external auditors about the use of the analytical procedure, in the planning and the completion stages of an audit work of the financial statements? Considering that at a point in time, the regulating bodies and policymakers monitor the work done by the auditors and that the peers also, have an eye on the extension and nature of audit procedures performed in some complex engagements. Analytical procedures are changing in response to recent changes in the audit setting (Trompeter and Wright, 2010). Also, some interested parties may be willing to note; what impacted analytical procedures in the auditing process (Kend and Nguyen, 2022).

To answer the above mentioned question, we adopted a qualitative approach, developed under the epistemology/theoretical interpretivist and constructivist perspective. Qualitative research proposes describing and studying subjects' actual actions in real-life contexts (Silverman, 2014; Gephart, 2004). In this approach, the core is the perception that individuals construct reality through interactions with their social worlds, with interest in the process of construction of meanings, in how people make sense of their lives and their words (Merriam, 2002). On the other hand, seeing the researched object from the perspective of the interviewees and understanding “how” and “why” the perspective was constructed in this way (King, 2004).

The epistemology/interpretivist theoretical perspective emphasizes the understanding of the social world by examining the interpretation of this world by its actors (Bryman, 2012, p. 380). It focuses on the social action of its actors and their perspectives, intending to see the world through the eyes of these subjects. From this theoretical perspective, social meaning is created during interactions between people and their interpretations of these people about such interactions, implying that different social actors can understand social reality differently, producing different meanings and analyzes (Hesse-Biber, 2016). In general, meaning is not discovered but constructed. Meaning does not inhere in the object, merely waiting for someone to come upon it. Human beings construct meanings as they engage with the world they interpret. (Crotty, 1998, p. 42-43).

In the constructivist ontological perspective, there are many social realities that depend on their construction, and people adopting different postures in different places. On the other hand, social properties are the result of interactions between individuals, rather than phenomena “out there” and separate from those involved in their construction (Bryman, 2012, p. 380).

Considering the objective of this research, it was necessary to fetch the lived experience of the auditor. In this way, for the construction of the data, the use of interviews was adopted, whose main objective is to obtain information from the interviewee on a specific subject. Or problem (Marconi and Lakatos, 2010, p. 179). The use of interviews provided a direct interaction between the researcher and the interviewees, favoring the reduction of misinterpretations and enabling a better understanding of the (dis)utility of the analytical procedure in the auditors' perception.

For data interpretation, Michel Pêcheux's French Discourse Analysis (DA) was used, more precisely, DA-3. According to Gregolin (1995), performing discourse analysis means trying to understand and explain how the meaning of a text is constructed and how this text is articulated with the history and society that produced it. The enunciators have very similar professional trajectories. They graduated in accounting sciences without exception and started their careers in auditing as trainees. Although the evolution in the auditing career has not been the same among them, given the different promotions received by some, all of them have already made decisions about the planning and completion of the audit work.

Ernest-Pereira and Mutti (2011) consider that one of the justifications for the use of this methodology is the need to be indignant in the face of some sayings and some current practices identified in life in society, putting in suspicion some meanings that hover and govern us, as if they were unquestionable truths. The path taken for the development of this study is shown in Figure 2.

3.1 Discourse Analysis

“Words are woven from a multitude of ideological threads and serve as the fabric of all social relations in all domains”. (Bakhtin, 1997, p. 41).

Due to its multidisciplinary in philosophy, linguistics, sociology, and psychology, various types of knowledge are brought to light when referring to Discourse Analysis (DA). It points to different epistemological positions, the nature and role of theory, types of data for analysis, understandings and treatments of the context and how the claims are justified (Wood and Kroger, 2000, p. 18).

Fiorin (1990) observes that DA is not intended to seek “the” true meaning of the text, nor “its” hidden meaning and “the” new and unpublished interpretation destined to

overturn all other interpretations and all other meanings. For the author, DA seeks to explain how the text says what it says and why the text says it, to explain the system of rules that presides over the constitution of meaning and the order of needs that the text responds to.

DA of French origin works with the meaning and not with the content of the text in the search for an understanding of the construction of discourses and their distribution in society, as they talk about those involved, about history, about the conditions of their production. It is convenient to refer to the French DA as descriptive, analytical and reflexive, of a speculative and interpretive nature.

For Mussalim (2009), DA considers the context of the utterance (historical-social context) as part of the meaning of the discourse; otherwise, the meanings are historically constructed. There is no single true meaning given, but several meanings beyond evidence (Florêncio et al., 2009, p. 65). It is not the intention of DA to label a sense, historically constructed, as of right or wrong.

For Maingueneau (2015, p. 47), the specific interest of DA is to relate the structuring of texts to the social places that make them possible and that they make possible since its object of analysis is the enunciation device that ties the textual and the communication situation, resulting from the verbal and the institutional. The subject itself does not interest DA but the ideological place from which the subject enunciates.

This study adopted the DA, founded by Michel Pêcheux (1938-1983) in the second half of the 20th century. By identifying the limitations of the linguistic discipline, we presented studies that proposed to explain the functioning of discourse through ideology. The French philosopher seeks to reveal the ideology that the texts are destined to hide (Maingueneau, 2015, p. 19), demanding an epistemological rupture, in which theoretical questions related to ideology and the subject intervene (Mussalim, 2009).

In this aspect, the subject is decentralized from the analysis since, having been questioned by the Ideological State Apparatus(s) (ISA), he is not seen as the “lord of his will”, nor responsible for the speech he produced. The subject starts to be considered as a social position only. Discourse is a form of ideological materialization, the subject being a deposit of ideology, without a will of its own, and language is a process that crosses the various fields of society. Figure 2 demonstrates how the discourse is originated.

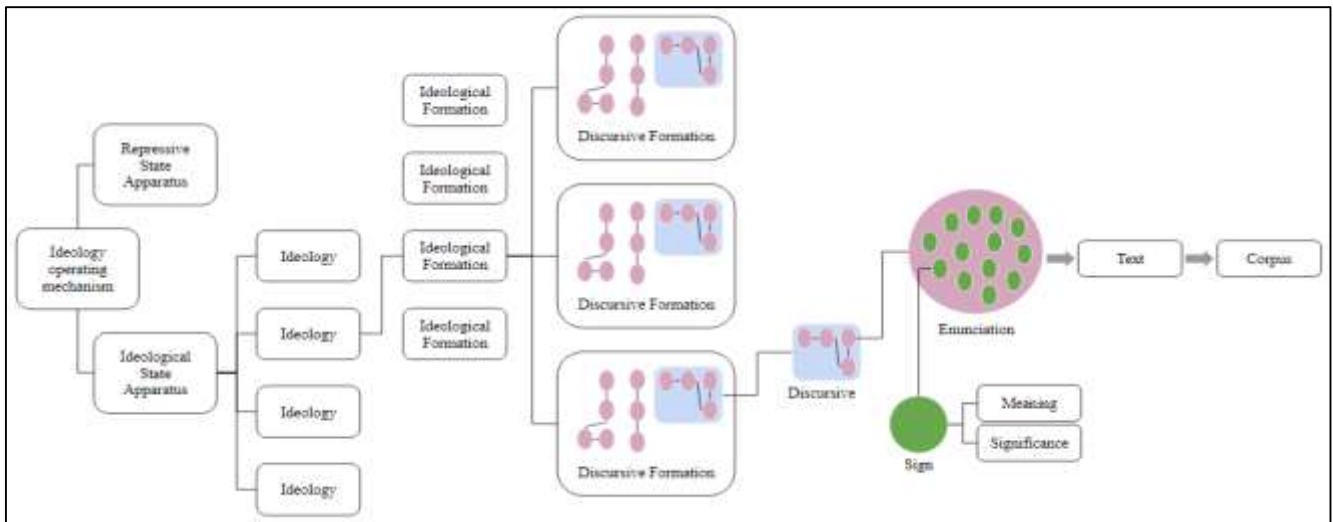


Figure 2 - Origination of Discourse

Therefore, there is no neutral or innocent discourse, because, when producing it, the subject does so, from a social place, from an ideological perspective and, thus, conveys values, beliefs, worldviews that represent the social places he

occupies (Florêncio et al., 2009, p. 25-26). The DA developed by Pêcheux is characterized by revisions and changes in its basic concepts over time, presented in three periods, as shown in Figure 3.

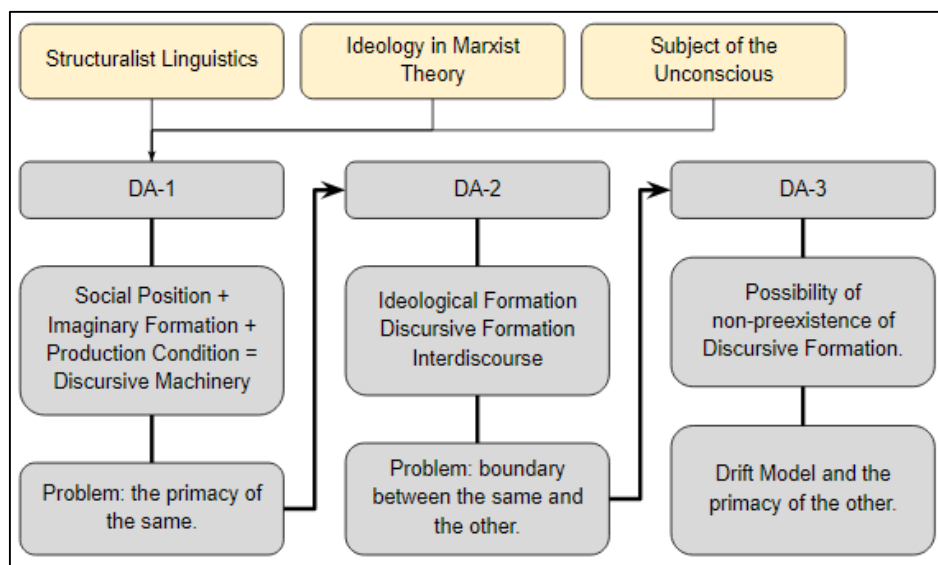


Figure 3 – Discourse Analysis Phases by Michel Pêcheux

From the perspective of DA-1, the meaning is positioned in the connection between the statements and depends on the conditions of production, social position and imaginary formation. In DA-2, meaning is understood as constructed by the ideological formation and resides in the space of circulation between discursive formations, that is, in interdiscourse. On the other hand, in DA-3, there is difficulty in establishing the meaning due to the opacity of the statements.

“The subject is not master of his will; either we have a subject that suffers the constraints of an ideological and discursive formation, or we have

a subject submitted to its own unconscious nature”(Mussalim, 2009).

In that first period (DA-1) Automatic Speech Analysis (AAD-1969), the subject who believed in being the origin of what he says, the sole source of the meaning of his speech (ideological forgetting 1) and having autonomy over the form of enunciation (ideological forgetting 2) was treated as subject to the discursive machinery.

The discursive machine is defined by Pêcheux (1983) as conditions of stable productions. The subject speaks of a certain place (occupied position) within a social formation (Pêcheux, 1997), which is the conditions of production.

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From this perspective, discourses are generated by specific discursive machines, the subject not being the producer of meanings nor responsible for how the discourse is said.

Using Althusser (1980) concept of ideology, this same author states that the AIEs challenge the individual through their agents. Interpellation is the call for the individual to become a subject, that is, to occupy a social position.

“Ideology ‘acts’ or ‘functions’ in such a way that it ‘recruits’ subjects from among individuals (it recruits them all), or it ‘transforms’ individuals into subjects (it transforms them all) by this very precise operation to which we call interpellation”. (Althusser, 1980, p. 99).

Thus, consider for example, the situation in which a woman represses her son's misbehavior. The family AIE, through its agent, is the woman who occupies the social position of mother, challenges the boy, transforming him into a misbehaving son, another social position. In these positions, the mother has the right to rebuke and the child the duty to obey. So, the discourse is always pronounced based on given discursive production conditions (Pêcheux, 1997). And the set of utterances of the mother's speech, subjected by the family AIE, is conceived at this stage as a discursive machine.

The discourses explored in this phase were considered homogeneous and closed in themselves, being, for Mussalim (2009), little controversial, that is, with a bit of opening for variation of meaning due to a more significant silencing of the “other”. This is one of the criticisms of AD-1 because when considering the primacy of the “same”, alterity is absent. As there were no connections between the discursive machines, the approximation between the positions occupied by the same subject was impossible. For these reasons, discourse analysis had a linguistic rather than a social focus.

The problem of the primacy of the “same” gave rise to this second phase (DA-2). The concepts presented in DA-1 are revised and new concepts such as ideological formations, discursive formations and interdiscourse are introduced. The conditions of discursive productions introduced in DA-1 become a mechanism within discursive formations. Another notable event of DA-2 is that the “other” begins to be considered as different from the “same” and can influence what is or is not said by the subject.

Mussalim (2009) explains that, although the subject starts to play different roles according to the various positions he occupies in the interdiscursive space, he is not free, as he is oppressed by the Discursive Formation (DF), which is regulated by an Ideological Formation. (IF), of which it states.

The premise of IF is the concept of the ideology of DA-1, which considers the existence of AIE, which

challenges the individual and transforms him into an ideological subject. According to Brandão (2006, p. 46), this ideological interpellation consists of making each individual (without him being aware of it and having the impression that he is the master of his own will) be led to take his place in one of the groups. or classes of a particular social formation.

“Ideological formation is the complex set of attitudes and representations that are neither ‘individual’ nor ‘universal’, but relate more or less directly to the positions of classes in conflict with one another”. (Pêcheux and Fuchs, 1997, p. 166).

Attitudes and representations are generalized only in their field of action; they do not expand to the whole. To generalize it is necessary to delimit. The relationships between subjects (or classes) can be antagonism, domination, or coalition. The limit between the text and its context is the place where DA is studied, where IF, the articulation between language and discourse, is translated into DF, what can and should be said.

The concept of DF was conceived by the French philosopher Michel Foucault (1926-1984). For the author, DF enables the passage from dispersion to regularity, as it acts as a system of relationships between objects, enunciative types, concepts and strategies. DF is the general enunciative system to which a group of verbal performances obeys - a system that does not govern it alone since it also obeys, and according to its other dimensions, the logical, linguistic, psychological systems (Foucault, 2008, p. 131).

Pêcheux borrowed the DF concept, but not in its entirety. Foucauldian DF is conceived in terms of knowledge/powers, while Peuceuxian DF is conceived in ideology and class struggles. Pêcheux conceptualizes DF as: That which, in a given conjuncture, determined by the state of class struggle, determines what can and should be said, articulated in the form of a harangue, a sermon, a pamphlet, an exhibition, a program, etc. (Pêcheux, 1997, p. 160).

The DF is a set of statements, as shown in Figure 4, marked by the same regularities or “formation rules” conceived as control mechanisms that determine its internal, what belongs, and its external, what does not belong. The IF has as one of its components one or more interconnected DFs, as stated by Pêcheux: The characteristic of every DF is to dissimulate, in the transparency of the meaning that is formed in it, the contradictory material objectivity of the interdiscourse, which determines this DF as such, a material objectivity that resides in the fact that “something speaks” always “before, in another place and independently”, that is, under the domination of the IF complex. (Pêcheux, 1995, p. 162).

In other words, DF is a collection of possibilities to say what is actually said, in a given social position, grouped by semantic fields (e.g., paternal, academic and positivist), where what can and cannot be established. can be said by such

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a subject, in a given conjuncture, within an ideological formation. For Maingueneau (2015, p. 83), the interest of the notion of DF is to allow the constitution of heterogeneous corpora, to freely gather statements originating from different types of topical units. The notion of DF involves two functions, paraphrase and pre-constructed (Brandão, 2006, p. 48). The first is the retaking of the statements and reformulating in a constant effort to close their borders in search of the preservation of their identity, being a procedure of discovering of DA. The latter is a set of relationships and statements that exist before what is said, helping to interpret undeclared sayings. In other words, at the level of discourse, it is a mechanism to give meaning to what is said with a non-literary sense. , based on discursive memory.

Discursive memory is social and collective and represents the stabilization of discourse, the possibility of repetition. The “already said” is the previously constructed meaning, absorbing the event and placing it within the existing regularity, making it predictable and adequate. Discursive memory would be that which, in the face of a text that appears as an event to be read, comes to reestablish the “implicit” (that is, more technically, the pre-constructed, cited and reported elements, transversal discourses, etc.) reading needs: the condition of the readable concerning the readable itself. (Achard et al., 1999, p. 52).

A discursive event located at the meeting point of a current and a memory (Pêcheux, 2006, p. 17) is something unexpected, it is what is born in an implosion, at a given

moment and from there causes resignifications of the already existing discourse. Indursky's (2003) understanding of discursive events are responsible for the reorganization of memory. These movements, which lead to the return of memory, also allow for a rupture with the network of formulations to which the utterance is related and to inaugurate a new network of formulations. In other words, this rupture indicates that the meaning was derived, becoming another. When the event manages to cross/interrupt the discursive memory, it displaces and deregulates the implicit associated with a series of utterances (discourses) that it tries to adapt. Otherwise, the discursive event can destabilize the discursive memory, breaking the regularity of the series of utterances (Achard, 1999, p. 52). However, it cannot produce the “forgetfulness” of the other meaning that precedes it (Indursky, 2003).

Maingueneau (1984, p. 27) proposes that the discursive universe is the set of different FDs that interact in a given conjuncture. This interaction occurs through interdiscourse, which is responsible for articulating the various discourses (of knowledge, of a certain social group) to produce a new meaning.

For Pêcheux (1995, p. 162), the interdiscourse is a complex whole with a dominant of the FDs and submitted to the complex of the IFs. The interdiscourse is located in the interstices of several FDs, as shown in Figure 4. The effect of this interdiscursivity is that the “other” begins to relate to the “same”.

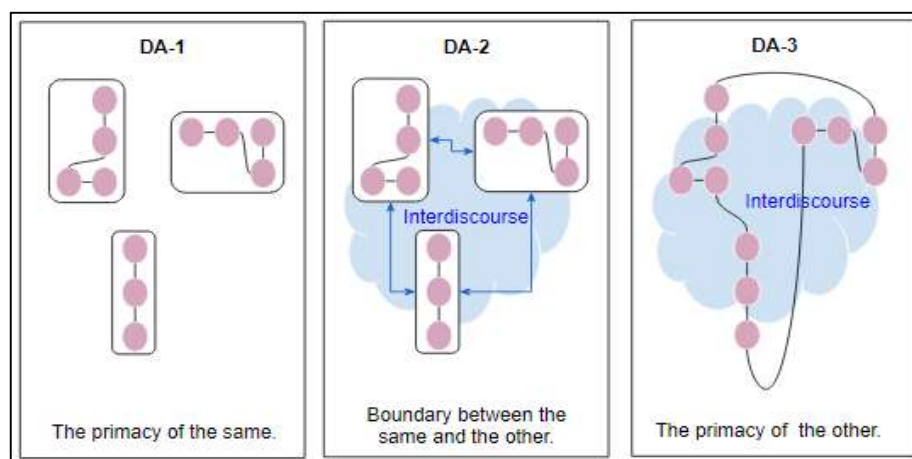


Figure 4 – Location of Interdiscourse

Pêcheux began to question the essentiality of DF as a basis for discourse and the identity validity of discourse as interdiscourse begins to occupy more space in DA. The subject's discourse will always depend on the “other”. These reflections provoke the implosion of the DF in the third phase.

“(…) every faulty act is a successful speech (…)” (Lacan, 1998, p. 268).

Under the influence of Lacanian psychoanalysis, the subject becomes divided, cleaved, split between the conscious and the unconscious, no longer being just a social position. The subject ceases to be master of himself due to the loss of the centrality of the “I”, where the “other” becomes part of his identity (Mussalim, 2009).

In this phase (DA-3), it is considered that the interdiscursive relations structure the identity of the DFs. Gregolin (2005) infers that the interdiscourse is where objects

taken by the enunciator in his speech (discourse dominated by a certain DF) are constituted, as well as the articulations between these objects, through which the enunciator will give coherence to his speech; purpose within the intradiscourse, the discursive sequence that it enunciates. Objects do not have the same meaning for different subjects; therefore, an utterance does not have a universal meaning. Pêcheux (2006) defines this phenomenon as a present oblique play of the declared opacity of the utterance, where there are several meanings for a single utterance.

Thus, because every utterance is intrinsically susceptible of becoming “other”, different from “itself”, of detaching itself discursively from its meaning to derive to another meaning (Pêcheux, 2006, p. 53), it gives rise to the model of drift, offering room for interpretation and perceiving a greater importance of the “other” over the “same”. Through this model it is possible to work with the possibilities of meanings of the statements according to the positions and their slips. Pêcheux presented this model in one of his works, structure or happenings, when interpreting the meanings of the phrase on a *gagné*, said by thousands of people when announcing the electoral victory of the then candidate for the presidency of France, François Mitterand, in 1981.

In the drifts, the subject displaces already established meanings, and it is the possibility of deriving that makes the discourses shift, remake, strengthen or disappear, given that the subject is not subjected, conformed to the language condemned to repeat discourses (Souza, 2014).

3.2 Construction of corpora

Caregnato and Mutti (2006) drawing from the Peuchexian point of view, advocate that the corpus should be constituted by the following formula: ideology + history + language. For the authors, ideology is understood as a system of ideas that constitutes representation; history represents the social and historical context and language refers to the materiality of the text, generating “clues” about meanings intended by the subject.

There are two types of distinct corpus. The general purpose corpus and topical corpus. The first comprises broad research questions, being a resource in its broadest sense for instance, the International Standards on Auditing. The second in corpus fixes in models in corpus linguistics in the context of the investigation of a particular academic theme. For instance, complete collections of newspapers or magazines; the latter, which is used in this research, is intended for a strict research purpose (Bauer and Aart, 2002).

The construction of the corpora of this study began in the process of identification and selection of enunciators. Then, we interviewed them and transcribed the interviews. In the subject selection strategy, the minimum prerequisites were established for an individual to be considered to discuss the object-analysis in question, here, the analytical procedure for risk assessment and conclusion of the audit work. The

prerequisites were: a) Being an auditor in one of the four largest auditing firms, the so-called Big4; and b) Having a minimum experience of 24 months in the supervisory position.

The positions that make up the group of reviewers are manager, senior manager, director and partner, for which, among their attributions, are technical support through guidance to their subordinates, responsibility for determining the budget, establishing deadlines and execution. The allocation of resources and work performance, which includes achieving greater operational efficiency. Those not included for interview are part of the group of preparers.

Gudkova (2018) cautions about the difficulty of eliminating the influence of the interviewer and situational factors in the interviewees' narratives. Which means that, under other conditions, the narratives could be different. To minimize the effects of this behavior on our analyses, we interviewed former auditors and triangulated with the data. The following prerequisites were considered to select these professionals: a) Having acted as an auditor in at least one of the Big4; and b) Having a minimum experience of 12 months in the audit managerial position.

The decision to interview only professionals from Big4 firms is supported by the results of previous studies, which point out that auditors from large audit firms apply analytical procedures on a larger scale than auditors from smaller audit firms (Abidin and Baabad, 2015; Samaha and Hegazy, 2010). In addition, the definition is justified by the similarity of their clients and the technical training offered by Big4 companies throughout the auditors' careers. It is necessary to inform that, of the 157 companies listed in Brazil, 83% were audited by Big4 firms. The representativeness increases to 94% when it comes to auditing the net value added generated (VAL) by these companies.

For the selection of enunciators, two non-probabilistic criteria were used, in this order, the accessibility criterion and the snowball criterion. The first selects the participants for the ease of access to them (Vergara, 2013, p. 47), which can be considered possible seeds for the application of the second criterion, which the enunciators are indicated through references made between people who share or know other people who have some characteristics that are of interest to the research (Biernacki and Waldorf, 1981; Bryman, 2012, p. 424).

One of the limitations of this research stems from the inherent limitations of the snowball method, which for Vinuto (2014) are: (i) in large populations, each person does not have the same chance of being indicated to participate in the research; (ii) the speeches may have limited possible variability since the “seed” enunciators indicate people from their network, probably with similar positions; and (iii) the researcher inherits each individual's decision as to who is appropriate to interview, which may lead the researcher to

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collect data that reflect particular perspectives and thus omit the voices and opinions of others who are not part of a network of friends and acquaintances.

Invitations to enunciators or seeds, who met the established criteria, were made either in person or sent via

email, LinkedIn or WhatsApp. The process of recruiting the enunciators is explained in Figure 5. The name of the interviewees was changed for reasons of confidentiality.

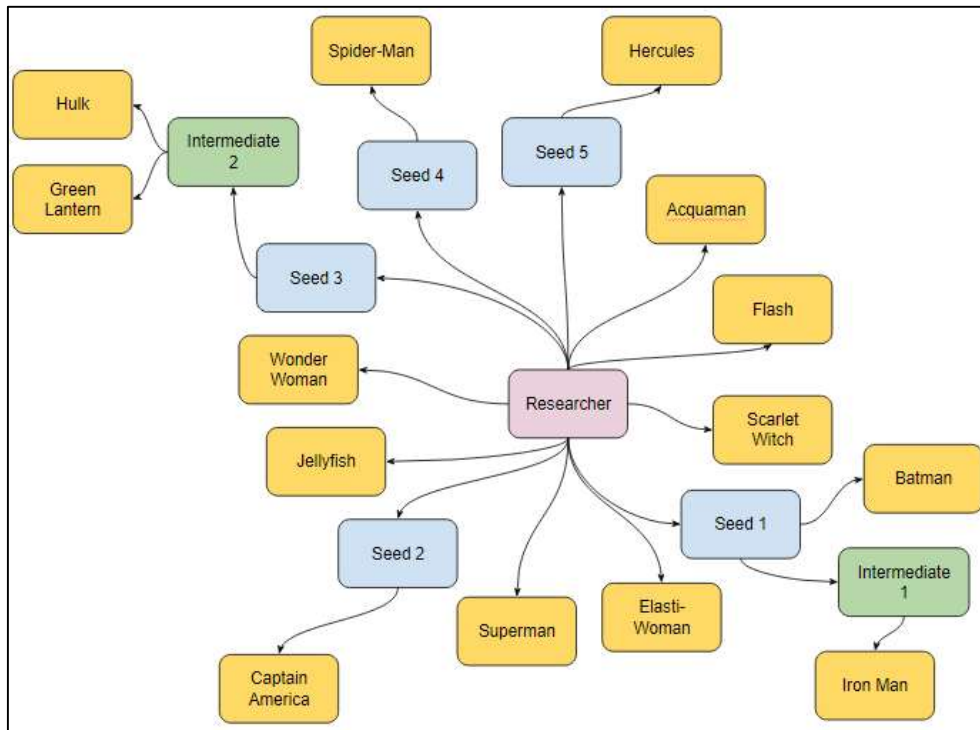


Figure 5 - Network of Contacts to support the Interviews

The data were constructed through individual in-depth interviews, face-to-face or not, to infer on the interviewees lived experience. In the interviews conducted, the questions were not ordered *a priori*; they were asked at opportune times, depending on the direction of the conversations. Regarding the content, the model of the interviews was unstructured, justified by the nature of the open questions, giving freedom to the interviewee to answer conveniently. The unstructured interview offers the possibility to gain a deeper insight into the researched topic (Gudkova, 2018).

The interviews conducted in this research generated narrative texts through the interviewees' accounts of their experiences, following an increasing temporal sequence. This type of interview can transform into a manipulated conversation as long as both parties know and accept the manipulation (Czaniawska, 2004, p. 50).

For Bryman (2012, p. 213), the researcher has only a list of subjects in the unstructured interview that must be addressed. However, we prepared an interview guide as an *aide m emoire*. As suggested by King (2004), for the construction of the interview guide, we researched the existing literature on the subject, resorted to our knowledge and experience on the subject and dialogued with key people in the researched area “accounting audit by external auditors”.

According to Kvale (1996, p. 129-130), for the interview guide to contribute to the production of knowledge and the good conduct, they need to be evaluated in two dimensions, thematically and dynamically. If the relevance of the question to the researched topic was analyzed through the thematic dimension. In contrast, through the dynamic dimension, the structure of the question was considered to promote a natural flow of conversation. The final interview guide adopted is presented in Figure 6.

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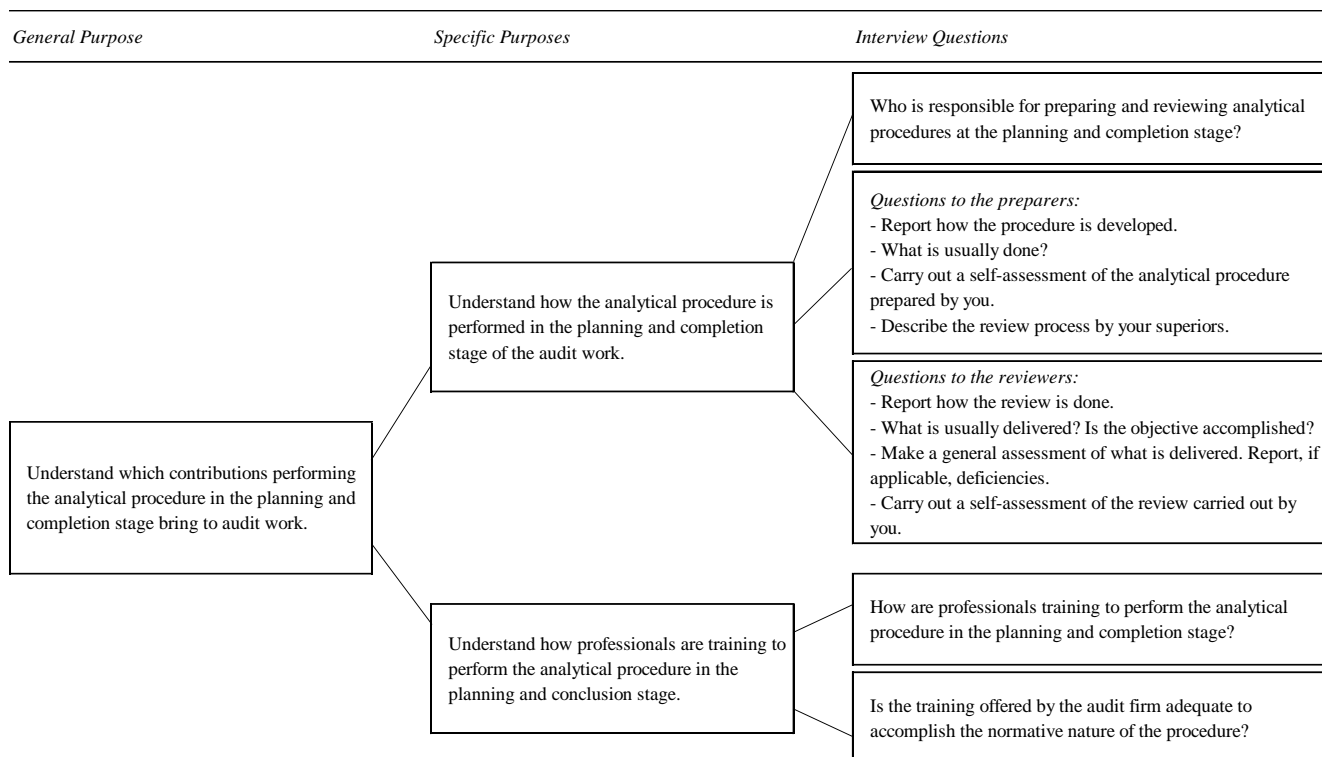


Figure 6 - Interview Guide

Pilot interviews were conducted using the initially constructed interview guide. At this stage of the study, the interview questions were firstly proposed. Thus, before starting the interview, the purpose of the research and the instructions concerning the exclusive use of data for academic purposes and the guarantee of anonymity were passed on to the interviewees. The interviews were recorded, with the proper authorization formalized by the Free and Informed Consent Term (Appendix A). To improve the quality of the respondents' answers, we did not set a maximum time for them to respond, allowing them the opportunity to interpret and process the question, assess the veracity and formulate the answer, as recommended by Tourangeau, Rips and Rasinski (2000, p. 5).

Creswell (2009, p. 223) highlights the importance of validity and reliability in qualitative research. According to the author, the accuracy of the results needs to be verified, giving qualitative validity, and if the approach used is

consistent with different researchers and research, promoting qualitative reliability. For the validity of this research, we proceed with one of the procedures suggested by Gibbs (2007, p. 93-98), triangulation.

Triangulating the data involves examining them using other methodological perspectives (Denzin, 1978, p. 291). The results were triangulated between the literary review, narrative interviews with former auditors and the researcher's professional background apart from archival documents.

Data from 14 experts was collected for approximately 9 hours of recording. The interviews were fully transcribed with the help of the MAXQDA software, generating 139 pages of transcription. Table 1 presents the demography of the interviewees. To maintain the anonymity of participants and audit firms, fictitious identification names have been allotted.

Table 1 – Demography of the Interviewees

| # | Identification | Sex | Time Experience (in months) | Works in audit? | Audit Firm | Interview Form | Interview Date | Duration | |
|--------------------------------|-----------------|-----|-----------------------------|---------------------------------|---------------------------|----------------|----------------|----------|-----------------|
| 1 | Acquaman | M | 149 | No | Wakanda and Central City | in-person | 11/03/19 | 00:19:43 | |
| 2 | Batman | M | 162 | No | Wakanda | in-person | 13/06/19 | 00:46:34 | |
| 3 | Elasti-Woman | F | 149 | Yes | Smallville | in-person | 13/06/19 | 00:45:49 | |
| 4 | Wonder Woman | F | 57 | Yes | Smallville | in-person | 13/06/19 | 00:32:41 | |
| 5 | Scarlet Witch | F | 220 | No | Smallville | in-person | 17/06/19 | 00:36:02 | |
| 6 | Captain America | M | 71 | Yes | Central City | in-person | 24/07/19 | 00:19:40 | |
| 7 | Superman | M | 118 | Yes | Smallville | in-person | 27/06/19 | 00:20:59 | |
| 8 | Flash | M | 66 | Yes | Smallville | in-person | 27/06/19 | 00:58:03 | |
| 9 | Iron Man | M | 144 | Yes | Central City | skype | 26/07/19 | 01:08:33 | |
| 10 | Green Lantern | M | 144 | Yes | Wakanda e Smallville | in-person | 29/07/19 | 00:35:55 | |
| 11 | Spider-Man | M | 305 | Yes | Gotham City | in-person | 31/07/19 | 00:43:32 | |
| 12 | Hulk | M | 72 | Yes | Central City | in-person | 01/08/19 | 00:27:29 | |
| 13 | Jellyfish | F | 73 | Yes | Central City e Smallville | in-person | 02/08/19 | 00:32:06 | |
| 14 | Hercules | M | 276 | Yes | Wakanda | in-person | 27/08/19 | 00:45:32 | |
| Average Time Experience | | | 143 | Total Interview Duration | | | | | 08:52:38 |

The corpora were analyzed using Pêcheux's drift model and Souza (2014) methodological approach, the latter proposing three heuristic questions. The first constitutes, after the initial reading, the definition of the concept-analysis of the text. The analytical procedure was defined as the object of the a priori analysis, an alternative which is also present in the aforementioned methodological approach. The second question is related to the construction of the meaning of the defined concept-analysis vis-à-vis textual marks. Finally, the third seeks to relate the meaning constructed with the discursive and ideological formations. In the discourse there are traces and vestiges of the place of meaning of the one who enunciates it, and these are the textual marks that we identify in order map the evidence; to describe the properties of the discourse that support them.

“Every discursive practice is inscribed in the contradictory-unequal-about-determined complexity of discursive formations that characterize the ideological instance in given historical conditions”. (Pêcheux, 1995, p. 213).

4. RESULTS

This section presents the results obtained from examining the interviews through discourse analysis. The subsections therein distinguish the meaning of individual speeches in relation to the analytical procedure separated by the social positions occupied and places, when the discourses were enunciated in a sub categorical representation.

All the analyzed corpora found the recurrence of statements that praised the use of the AP due to the various

benefits it provided. In this sense, for the interviewed auditors, the imposition given by the current auditing standards on their execution is appropriate.

Nonetheless, this perspective is contrasted with the statements that describe its modus operandi. The exposition of the day-to-day performance, in effect, the reality in the field, denotes inconsistencies within the speeches since the subjects simultaneously declare the essentiality of the AP in the audit process and the recognition of its execution as unsatisfactory.

At the discursive level, the observed “nonsense” stems from the imaginary conviction of lack of time. Time, an immaterial element, becomes the node where tensions between preparers and reviewers are coalesced and resolved. The barriers preventing the proper use of the AP are produced and signified by the lack of time, thus pacifying the relationship between the different positions within the performance process.

At the practical level, it is clear that the structure of the audit work itself does not favor the use of the AP. Auditors throughout their careers are oriented, directly or indirectly, to the commercial-professional stereotype, making the doctrine of performance, greater production in less time, guide the structure of work in financial auditing.

That said, the work overload of these professionals added to the prioritization of substantive procedures results in the failure of the training model applied on the subject by the Big4. Under this model, professionals receive training in their own field of work and the result is evaluated as in a recurring task of a professional already competent to expedite (on-the-

job-training). It was observed that the audit procedures are practiced in a sequence of priority, in which the preparation of the AP and training through review and feedback are not included.

The prioritization of specific procedures can be considered as habitual, defined by Tolbert and Zucker (1996) as a behavior developed empirically and adopted by one or a group of actors, to solve recurring problems. Otherwise, decision-making remembered with minimal effort.

4.1 AP by the speech of the preparer

The audit procedure alluded to in this study is usually prepared by the most experienced professional of the field team, having among its attributions the activities related to the planning and ruling on the completion of the work. The perspective of the four auditors interviewed, positioned as preparers, is unanimous when they declare that AP qualified as well prepared is unquestionable, enabling greater effectiveness and efficiency in the audit work.

“All, 100% [response when asked about the impacts of the AP on the work]. If I get one wrong, if you do a different analysis on a particular account, it will impact your work as a whole in the end, both in controls and in the type of test that we have to do”. (Captain America).

“You link to another subject that you may not have captured”. (Flash).

“Sometimes you get [something not previously identified] there in the final. Analytical review makes it easier. So maybe I should have done another test, that I left it there at the very end and sometimes it's not even done”. (Wonder Woman).

Although the analytical procedure has been revealed as something important in the imagery of these professionals, this importance fades into the *status quo* of the auditor's day-to-day life as part of the structure in which workflows are conducted. Probably one would infer for a compensatory procedure when the auditor omits this procedure.

However, tensions of the interviewees are observed through the textual marks related to time and knowledge. When we make a paraphrastic relationship of the statements below, other possibilities of saying a word surfaces. In the first utterance, the verb “to go” could be said as “hasten up, we do not have time”, while in the second utterance, the verb to change could be “to organize and plan better”.

“Now [enough] distributing, let's go, get the general ledger [accounting] let's select the items. We end up kind of omitting the planning process and then we arrive [at the client] in that rush 'ah let's advance the substantive test, let's go'”. (Jellyfish).

“Maybe we would have to change some things to make things more intelligent”. (Wonder Woman).

Time as intimidator

Noteworthy, that the organization of work and overcoming operational difficulties (e.g., congested workforce, accumulation of tasks and short deadlines) could be supported by the AP, seen in the interviewees' imagination as a time optimization tool. However, the materialization of the mentioned advantages require diligence on the part of the preparer.

“There is something very serious about us humans. We are the inventors of time, for God invented eternity, therefore he is outside, beyond time. He is part of time, but time, strangely, is not part of him”. (Novello, n.d.).

At the same time, time becomes an ingredient of dedication and a threat to the preparer. The intrinsic conviction of this social class concerning lack of time confiscates the normative requirement for the preparation of the AP.

“But look, the [little] time we have [to prepare something satisfying] and so, I don't know if people have this vision [of dedicating time to perform the AP]. Because then, they [the reviewers] should give the person in-charge time to prepare [the AP]”. (Flash).

“I think the big question is time, right? So there's no such thing as a habit of scheduling for so long, there's no such thing as a schedule just for planning, just for AP”. (Jellyfish).

Moreover, in the competition for time, the importance of the AP is defeated by the prioritization of other activities. This may lead apparently to inefficiency at last when we gauge the competing values.

“We are more concerned about substantive procedures for the sake of generating... bringing greater audit evidence, right, (...) external document, selection, we are more concerned with this part of the work”. (Flash).

“In planning you should already advance selections, you should already do this, this and that, so I can't focus, I think the planning is a bit confusing. So, we think that planning is doing an analytical review more or less and anticipating the tests, right?” (Jellyfish).

“Also, because sometimes we plan with routine tests, I always have to do that and sometimes I don't even have to. So really, if you do a well-done analytical review, you see there, you don't have to do that. This is covering everything, got it!? And one thing that we have a lot, sometimes we do too much work, too much and we didn't even have to.” (Wonder Woman).

In Search for Knowledge

The interviewees claimed that if the execution process of the AP took place regularly, the benefits would go beyond the field work and would be converted in favor of the professional's intellectual skills. The execution process includes presenting the topic, specific training, field execution and review by superiors.

However, statements about the absence of targeted training on the subject are unanimously present. The learning model practiced is through interactions between team members and feedback from superiors. In other words, training is offered in the field.

“Training is in the field. Most of the time it's between the teams, we have to pass the knowledge down. So, if I have an assistant auditor who is going to become a senior next year, I have to show him how he is going to do the things. So it's more on the field. There is no specific training that everyone stops for a day and says ‘oh, the analytical review has to be done like this, and like that’”. (Captain America).

“I didn't have [specific training on AP]. So I had to see it in practice”. (Flash).

“No, I don't remember having specific training in analytical review, analytical review we always... in the field, right? Obviously. Ah sorry, we always see (learn) on the field and, in practice, when you are an assistant the senior comes there, helps you. I think there should be more practical things, more practical training that would show more clearly the result that the analytical review can [generate]”. (Jellyfish).

“Something [specific training on AP] that the company does not offer, in this case, right!? There is no [training]. Normally, you get a model, then last year how did the team do it? I will do the same. I think [in general] that [the training offered] is for us to take delicious coffee and for them to say what they gave”. (Wonder Woman).

Moreno, Battacharjee and Brandon (2007) identified that group training, mixing experienced professionals and students, provided better performance in executing analytical procedures by university students. The proposal of this method is considered by audit firms when promoting on-the-job training; however, continuous feedback from reviewers to preparers is essential (Westermann, Bedard and Earley, 2015).

This dependence on review by superiors and receiving feedback is perceived in the statements below, as they represent the validity of the work, a compass for improvement.

“[Managers and partners point out] the points that are always wrong (laughs!). It's amazing. They [managers and partners] just by looking,

they can tell you ‘this is not right, this is’. They always go to the main accounts”. (Captain America).

“Researcher: From what you said, this experience is in the field, of performing the analytical review, and you depended a lot on [your] superiors to review and give you insights on how to improve”.

Jellyfish: Exactly.

“I think they [people in higher hierarchical positions] should review, yes, why? Once a manager has reviewed it, the partner will not review the analytical review, let alone the planning review. But, perhaps by reviewing it, he would be able to raise more critical questions”. (Wonder Woman).

However, the preparers are faced with another barrier that induces them to establish the *habitus* of this organizational environment, the lack of review of the procedure by their superiors. This behavior was identified in the study by Brewster (2011), which states that performance feedback is generally not offered by auditors.

“No. Very difficult, very difficult [the timely review of APs]. I think there has to be more involvement of the partners, the manager mainly, together with the person in-charge in this planning, he [partner or manager] should discuss the answers, get involved in the answers, in the quality of the answers, how can we corroborate this answer”. (Flash).

“Hardly [answer when asked if the review of the AP by superiors was timely] is timely, right, which is what makes it very difficult. Then you do the analytical planning review, someone will review, of course everyone is always in a rush, but then someone will review 3 months later, when you are in the final. You can't focus on that anymore, you know?”. (Jellyfish).

“Not even. No, no. [response when asked if the review of the AP by superiors was timely] let's say that I didn't identify an important risk in this planning [analytical review], but will you [manager or partner] tell me about it in the final? So maybe I should have done another test, that I left it there at the very end and sometimes it's not even done”. (Wonder Woman).

These findings lead us to believe that the very structure in which the works are organized makes it possible to approve a poor preparation of the AP, given that the revisions by superiors either do not happen or are untimely. The absence of specific training and failures in reviews are elements that cause technical insecurities, reinforcing the unconscious neglect of the AP.

For authors Bonner and Walker (1994), the combination of instruction with inexperience or instruction with not receiving feedback does not produce knowledge. Although not always available in the organizational environment of auditing companies, the combination of practice and instructions, including feedback, results in knowledge gain. For this reason, we reinforce the importance of review by the reviewers and the communication of faulty acts to the preparers.

In the opinion of Thornock (2016), performance feedback offered in a period distant from the development of the task results in lower learning and performance. The researcher considers it important that less experienced mistakes are allowed, to encourage learning, leading to better future performances.

It is noticed that the involvement of those responsible in the review of the AP is selective. Due to time being strategic for reviewers, the dedication of these professionals is directed to clients who deserve their attention, such as large clients with public exposure, among others. This behavior is incorporated into the habitus of this social class, making it accepted by everyone.

“This depends on each client's risk rating [response when asked whether superiors' review of the AP was timely]. If you are a more important customer, the reviews are always timely. If it's a smaller client, it won't take that long, it's not so timely, but it does happen”. (Captain America).

4.2 AP by the reviewer's speech

In this section, the AP is presented through the discourse of individuals who assume the positions of reviewers of the procedure, usually managers, senior managers, directors, or audit partners.

Once again, interviewees unanimously recognized the AP as a tool of great importance in conducting the planning and conclusion of the audit work. Benefits such as anticipation of problems that may arise during the activities, identification and more accurate assessment of audit risks, more appropriate definition of the audit plan and classification of financial achievements within or above the budget were presented from the AP.

“Analytical review can anticipate matters that could be audit risks that we do not see if we only look at changes in balance sheet” (Hercules).

“For me the preliminary analytical procedure is key, it is not, in my view, considered pro forma as it was in the past, it is the heart of an audit”. (Iron Man).

“In the analytical review, we are able to identify, perhaps, inconsistencies or even elements that may draw the auditor's attention. So, the analytical review, in addition to understanding the business, the variations, also serves to identify any

new transactions, eventually, something that may not be, in short, not right”. (Hulk).

“The analytical planning review is not there for you to audit the balances. It is the first step, you identify a trend and then you direct your tests. If it were well used, it would effectively bring more quality to the audit”. (Green Lantern).

However, when describing its *modus operandi*, the existence of constraints that makes it difficult to implement the AP so that it can provide the reported benefits. Utterances are prominently related to the time and knowledge elements.

The significances of time and knowledge, permeated the statements of the preparers and reviewers, but this similarity is not reiterated in their meanings. This phenomenon is what distinguishes the discourses between these two social positions.

The Monetization of Time

Auditing firms are primarily profit-oriented businesses whose revenues are constrained by competition. Thus, for it to be profitable, the adaptation of costs is necessary. That said, the commercial-professional profile becomes relevant in the positions occupied by reviewers, and it is through it the professional will reach the peak of his career. So, allocating project resources can threaten a more significant objective than the proper audit.

“Other factors such as time pressure, for example, end up harming the professional skepticism of those in the field. We know that time pressure is a very critical factor for you to exercise your skepticism and knowledge. If you don't have time to work on the topic, there is a great chance of your making mistakes”. (Iron Man).

Noteworthy, that the natural course of work can also increase the cost of providing services if, by chance, procedures are performed that do not add value to the audit. In certain situations, the AP may qualify as such.

“Care must be taken not to do more than what is needed since it is not intended to validate the financial statement, but on the other hand, not to let it fall short of what is desired. You need to have a balance in approaches”. (Hercules).

“I think at the end of the day in the final review if nothing happened it doesn't make much sense for you to keep extending anyway, just so you have it documented”. (Hulk).

“Everyone wants an analytical review, but there is no time to do it, for the team to do it, because it takes time, it takes time”. (Elastic-Woman).

Thus, the absence of the AP is seen as a veiled consent when its returns do not justify its execution; after all, as a scarce resource, it should not be spent on unnecessary activities.

The Loss of Knowledge

The lack of technical knowledge of the preparers was one of the obstacles reiterated at various times in the speeches to justify the failure of the AP. Lack of professional skepticism and understanding of the client being audited are part of this element. Rodgers, Mubako and Hall (2017) point out that the lack of skepticism can result in failures in the process of identifying and assessing risks and, consequently, in the direction of work.

“I don't know if we understand the business. There are many seniors who are in the field, they do not know what the company does, they sit at the computer, they use our audit documentation databases, but they do not analyze the business, right! they have no idea what that means, how purchasing is related to inventory, doesn't know anything”. (Spider-Man).

“The quality of analytical review is terrible, to the point of not having it. So, it's... there aren't any, there aren't any, because people don't have the courage to put something on paper. So, it's hard to say what you want when you're satisfied with anything that fits”. (Elastic-Woman).

“What I see these days is that people are pretty shallow in analytic review”. (Superman).

The statements express possible failures in the distribution of tasks since a procedure of great relevance, from the reviewers' perspective, is prepared by professionals, labeled by themselves as unfit. This could make one infer, after all, what is the role of the superior in the team building? Maybe something such as role model is at stake.

“You realize that there, even with the best people that you theoretically have here on the staff, it is still very difficult for people to understand. I have a client that is very large, so it is very difficult for you to obtain the data, because there are thousands of people, there are shared services out there, so for you to have this data it is very complicated, and the deadline is also very restricted. So, people can't evolve because of that, because of the complexity and time. Although they even try to do it, it doesn't look good either”. (Spider-Man).

“Usually, less experienced professionals are assigned to carry out an analytical planning procedure, but perhaps this less experienced professional does not have all of it, a baggage of experience and professional skepticism to assess whether pattern, whether variations are following usual trends or not”. (Green Lantern).

“Who does the analytical review? We go to a supervisor. The person in-charge passes it on to someone ‘ah go after the information, ah go...’ to

capture information and he does it. So it started wrong, because the person in-charge, I don't think even the person in-charge has access to the information, to the people who will pass on the right information. So, I think it has to be “started” on top, right. So, I had very good experience of starting an analytical review on a board, right?” (Elastic-Woman).

In addition, it appears that, in some cases, the AP is seen as a strategic and selective tool, being timely executed and reviewed only for specific clients. In the following statement, it is noted that the combination of the size of the audited client and the lack of technical capacity in the field establishes the reviewer's tolerance for the poor delivery of the AP.

“Unfortunately, the people who are there [in the field], they do not spend a lot of time on that specific job, as they are smaller clients, there are people who are not the most qualified, so I will not create expectations in a procedure that I know will not come to something”. (Spider-Man).

4.3 AP by the speech of former auditors

This section presents how former auditors position themselves in terms of the AP in an audit engagement's planning and conclusion stages. For this, we interviewed three professionals who started their careers in external auditing and resigned while positioned as senior managers. Two of the interviewees also worked in the training department of the audit firm they were part of. Furthermore, we learned that the enunciators of this topic were auditors at the time of the adoption of the [ISA] NBC-TAs.

“I think most people believe that it is to comply with the schedule, there is in the standard. I need to do it to comply with the schedule”. (Scarlet Witch).

The importance of the AP was mentioned, once again, in the three speeches; however, the existing weaknesses in the work process made it belittled in relation to other activities. That said, absenteeism from the involvement of partners and managers in work was recalled at various times.

Time as Experience

Experience is explained as knowledge or learning obtained through practice. For respondents, experience and quality in delivering the AP are correlated.

“Doing a good analytical review also involves experience”. (Aquaman).

“I think that the more experienced the better an analytical review is, yes, because you have more experience, more background, any complementary experience, be it by segments, be it by a business, by a discipline, by something you have already

done in the past, will always help you to have a better analytical review”. (Scarlet Witch).

For Bondía (2002), among other factors, lack of time and overwork make the experience increasingly rare. From the author's perspective, experience touches us, and not what happens. Given this, it becomes dangerous to synonymize experience and working time.

The acquisition of Knowledge

When reporting the application of the AP in the audit work, the three participants recalled the training format that was adopted when they were auditors. Despite the similarity in the statements of all positions regarding the operationalization of the model, the interviewees reflected more on the path of knowledge.

The organization's hierarchical pyramid is related to each other through the transmission of know-how, enriching the experience of individuals. Given this, reflections on the vulnerability of the heir regarding the construction of received knowledge emerged from the statements.

If, on the one hand, the model practiced offers practical experience and direct interaction with more experienced professionals, on the other hand, the model is weakened because it strictly depends on the knowledge inherited and acquired throughout the career.

“The AP works a lot with the person's critical sense, and that's the kind of thing you can't explain in an eight-hour or sixteen-hour training for a person. You learn this in the field, you learn with the coach, I see that these people who were more prepared, they taught better and those assistants who worked with them arrived more prepared”. (Batman).

We refer to the writings of Marx (1845), that people are as they are, they think what they think because they are taught that way, and whoever teaches has also been taught, to expose the reports that the dissemination of inappropriate positions negatively affects generations future when accepted as truths.

“Many times [a subject] is not approached in the right way, it is not because it is not in the program, but it is because the instructor may not give it relevance, because in the past they no longer gave importance to him, he was trained that way and he is forming the people in the same way he was formed”. (Scarlet Witch).

Therefore, it is necessary to report that the interviewees were emphatic in stating flaws in the AP review process by the partners and managers, exposing that the reviews are either not carried out or are not carried out in a timely manner.

“No, no, hardly [there is timely review]”. (Aquaman).

“Normally, we did the planning, but many times... I'll be honest, I had many, many clients, we reviewed together with the final, we did the preliminary review and the final review on the same day”. (Batman).

5. DISCUSSIONS

The external audit plays an important role in ensuring that the entities comply with the applicable standards are in force while disclosing the financial statements. It assists the functioning of the financial and capital markets by contributing to a more credible environment. To this end, the auditing profession and firms providing audit services are regulated by various institutions, which issue standards with instructions, guidelines and duties to be adopted from the initiation of the work by the assurors of financial statements. In this environment, the structural bases of the audit work are the imposed institutional regulations, leading to the homogenization of the practices and procedures adopted by the external auditors. That said, it is pertinent to reflect on the use of AP in the planning and end-of-job of audit as a result of coercive isomorphism.

Results show that, in light of the NIS, auditors are subjected to institutional pressures, even if they affect operational efficiency negatively, is justified by the incessant search for legitimacy, lest the survival of audit firms would be threatened. The theory in practice was observed when the auditors unanimously confirmed that AP's inclusion in their projects in the initial and final stages. The professionals interviewed praised the importance promoted by the AP in the two stages, however it is antagonistic with the reports about its weak operationalization.

Various arguments have justified little or no dedication in executing the procedure. It does transform this behavior into a social fact. The speeches, crossed by the elements of time and technical knowledge, pointed to fissures in the adopted training method and the credibility and also dependence between preparers and reviewers. The professionals who positioned as reviewers reported the technical unpreparedness of those in the position of preparers of the financial statements. The reviewers' recurring dissatisfaction with the quality of the AP delivered led to the transfiguration of the perspective regarding the AP, from something important to something *pro forma*. The phenomenon is reflected in Spider-Man's utterance, *ipsis verbis*: "Actually, I don't expect anything." For this, we turn to Meyer and Rowan (1977) for mentioning a possible conflict between the search for legitimacy and the search for efficiency. According to the auditors' discourse, the AP does not generate benefits, in practice, due to its poor operationalization. However, it is a normative requirement, the work includes the procedure.

When talking about the technical training received, the preparers stated the absence of classroom training for this

topic. Learning comes from practical experience in the field tutored by their superiors. However, this model's weakness lies in the reviewer's strong dependence on materializing the preparers' understanding. From the reports of reviewers and former auditors, it was noticed that this practice has persisted for a long time. In fact, weaknesses in the technical training process is also signaled in the speeches of the preparers when they report the omission or untimely review of the procedure by the reviewers. Westermann, Bedard and Earley (2015) report that the audit partners interviewed are uncomfortable with the model adopted. They recognize that those responsible for providing training in the field have a higher workload, making coaching the last in line.

As expected, Rodgers, Mubako and Hall (2017) confirmed that the level of skepticism of more experienced professionals is higher than those at the beginning of their careers. Therefore, we understand that experience matures and increases auditor skepticism. Thus, failures in transferring knowledge from the more experienced to the less experienced require special attention. They can compromise the construction of a fundamental characteristic for those who perform the function, being skeptical (Glover and Prawitt, 2014).

The contradiction between the auditor's imagination and practice originates in this social fact and reinforces the staff's perception that the AP is important but not necessary or a priority. With adaptations to the analyzed context, Pfeffer and Salancik's (2003, p. 16) position that environmental pressures control the structures and actions of opportuned organizations.

The combination of the intrinsic pressures of the audit process, the technical limitations of the professionals, the flawed training model and the discursive element “lack of time” led to the normalization of the auditors' disregard for the procedure, causing individuals not to perceive their negligence in not acting under auditing standards. Thus, it is up to the users to reflect on the details provided about the auditor's report that the audit work was conducted in accordance with auditing standards.

To complement the discussion, we return to the need for organizations to adhere to rules, social norms and the expectations of others outside the organization (Scapens, 2006). One of the auditor's responsibilities is to express an opinion on the financial statements based on the audit conducted in accordance with Brazilian and international auditing standards (NBC-TA 700). That said, as users of financial statements, it is believed that auditors are fulfilling their responsibilities; otherwise, the so-called audit expectation gap would flow. ICAEW (2018, p. 4) defines the audit expectation gap as the difference between the general public's expectation of what the auditor does and what the auditor ought to do. Their concept further segregates it into three parts: knowledge gap, performance gap, and evolution gap. The existence of the *knowledge gap* was identified in the

speeches of the interviewed auditors. When considering that the readers of the Auditor's Report believe that the auditing standards, without exceptions, were applied throughout the work, it is noticed that two normative requirements are generally not appropriately performed.

This brings us back to the authors DiMaggio and Powell (1983) when they state that, in order to gain legitimacy, organizations have to be seen in accordance with what is expected of them, which justifies the *pro forma* execution of the AP. Meyer and Rowan (1977) define the gap between the formal structures of an organization and its real day-to-day activities such as decoupling.

The reflections return to the research question that guided this study, about external auditors' perception of the use of the analytical procedure, in the planning and conclusion stages of an audit work of the financial statements, in a discourse analysis perspective. It was observed that the benefits perceived by the execution of the AP are not enjoyed in the practical field by many for the reasons mentioned above.

Would it be appropriate to conclude that the audit opinions issued and supported by works in which the AP was not used in the planning stage or the conclusion stage are inaccurate? If we take the proposition as true, it is concluded that the AP in these two phases plays a fundamental role in the audit work, making its non-execution inadmissible, and its normative nature is justified.

On the other hand, if we consider that the audit opinions, except for other reasons, are adequate, the AP may be considered important but not indispensable, as other procedures could replace it by providing sufficient support for the auditor to issue the opinion. This would lead us to admit that the normative imposition is not justified.

The resulting reflection is positioned around what would be the ideal point for the imposition of audit procedures, given that, if, on the one hand, it has the great advantage of making it explicit, on the other, it has the great disadvantage of being prescriptive and becoming, only, in checking-box. Glover and Prawitt (2014) consider that auditor skepticism can be threatened if the focus of regulations is not fully aligned with the relevant risks of the audit. In other words, the requirement of practices and procedures could distract professionals from the ultimate objective of the audit.

It is expected that the results and discussions held in this study will generate reflections for regulatory bodies, alluding to the real need to impose procedures on audit firms regarding the method of technical training adopted.

6. FINAL CONSIDERATIONS

The work of an independent auditor is one of the most regulated by national and international bodies; thus, as a contribution through academia, this study investigates the perceptions of external auditors concerning the use of the

analytical procedure (AP), drawing on the interpretative perspective of discourse analysis. It is worth noting that using the analytical procedure during the planning and end-of-job stages of independent auditing is critical to closing the auditor expectation gap.

Therefore, this study expanded the procedures adopted in the audit planning and conclusion stages and understood how audit professionals are technically trained to perform the analytical procedure. A new institutional sociology was employed ad hoc. We infer that the sociological aspect of institutional theory advocated for in institutional procedures used by organizations is not adopted for their effectiveness in the operational process due to treading on legitimacy.

Our findings lead us to conclude that the use of the AP in the initial and final stages of the audit work is effective, given the efficiency and effectiveness brought by it, since it allows for the elaboration of a more efficient and effective work plan and a greater basis for the audit opinion about the audited objective. However, these advantages are not realized in practice. It was observed that the contradiction between the imaginary and daily lives of these professionals emerged from the very structure of the audit work.

The AP is prepared for the planning and completion stages as an institutionalized procedure, except in structured works where all stages occur at once, as in some small engagements. However, the preparatory process is deficient, and the review is untimely.

The discursive element "lack of time" eases the tensions between the positions. Through it, the reviewers' consent to the precarious delivery of the task, and the preparers consent to not receiving training.

The present study allowed us to verify that, although the use of the AP in the initial and final stages of the audit work is perceived as highly effective, in practice it is not. If it had evidence of being used more in accordance with what it was built for, the AP would contribute to the great challenge of improving the quality of audits. Otherwise, the AP has a lot of ideal and little practical importance, given its usual pro forma execution, which is necessary only to legitimize the work.

As a limitation, this work did not address analytical procedures for substantive testing purposes. Also, as a limitation, the result presented could be different if other professionals from small and medium-sized auditing firms were considered in the interviewed group.

Notwithstanding, it is believed that this discussion is important, as it can improve the audit work. It is expected that further studies will seek to assess the role of other required audit procedures and also consider the participation of professionals from non-Big 4 firms.

Overall, the study has implications for auditing syllabuses, accounting program curriculums, fee pricing, consistency in the number of hours required to meet

standards, and, as a result, internships for students. Also, the governing bodies should observe the standard for hours worked by the auditors and effectively oversee the time allocated to perform activities in relation to the usefulness of a manual of best practices looked into by the monitoring bodies. This study will assist the practitioners' work and also contribute significantly to academia in this area of study.

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Appendix A - Termo de Consentimento Livre e Esclarecido (TCLE)

| | |
|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------------------------------------------------------------------------------------------------------------------------------|
| <p>UNIVERSIDADE DE SÃO PAULO</p> <p>FACULDADE DE ECONOMIA, ADMINISTRAÇÃO E CONTABILIDADE</p> <p>Programa de Pós-Graduação em Ciências Contábeis (PPGCC)</p> |  |
| <p>Termo de Consentimento Livre e Esclarecido (TCLE)</p> | |
| <p>Nós, Prof. Dr. Joshua Onome Imoniana (NUSP 990725), orientador responsável, e Cristiane de Almeida (NUSP 10398365), na condição de aluno do Programa de Pós-Graduação em Ciências Contábeis (PPGCC) da Universidade de São Paulo (USP), convidamos você a participar, de forma totalmente voluntária, da pesquisa que busca entender o significado dos procedimentos analíticos na identificação e avaliação dos riscos de auditoria, pelos auditores externos, na etapa de planejamento e de conclusão de um trabalho de auditoria.</p> | |
| <p>Caso concorde em participar, a entrevista será realizada em lugar reservado, livre de escuta e de observação de terceiros, no dia e no horário que você escolher. A entrevista será gravada e transcrita na sequência. Você terá acesso à subscrição parcial (dos trechos que serão citados na pesquisa) ou completa, caso prefira.</p> | |
| <p>Garantimos que em nenhum momento sua identificação ou características que possam identificá-lo serão divulgadas. Ressaltamos que, <i>as informações fornecidas por você terão sua privacidade garantida</i> pelos pesquisadores responsáveis e tais serão utilizadas somente para fins científicos.</p> | |
| <p>Os possíveis riscos estão relacionados ao desconforto ou de constrangimento, porém garantimos que estaremos prontos para contornar e, se preciso for, interromper a entrevista. Você poderá a qualquer momento <i>desistir de participar da pesquisa ou anular este consentimento em qualquer fase, caso decida</i>, de forma que se evite que seu depoimento sofra consequência danosa na expressão livre de suas opiniões.</p> | |
| <p>Sendo assim, caso concorde em participar, você poderá autorizar por meio de assinatura deste termo de consentimento livre e esclarecido.</p> | |
| | <p>Desde já agradecemos sua colaboração.</p> |
| <p>_____ Prof. Dr. Joshua Onome Imoniana</p> | <p>_____ Cristiane de Almeida cristianealmeida@usp.br / (11) 95619-8862</p> |
| <p><i>Ciência e de acordo do participante</i></p> <p>Ciente e de acordo com o que foi anteriormente exposto, eu, _____, estou de acordo em participar desta pesquisa, assinando este consentimento.</p> | |
| <p>_____ Assinatura</p> | <p>Data: _____</p> |