



Academic Studies Support Validity of Audit Integrity's Corporate Governance Risk Ratings

Research Recap frequently highlights Audit Integrity's accounting and governance risk reports as we believe them to be helpful tools at a time when corporate governance and risk are increasingly complex and important factors in investment decisions. From time to time, Audit Integrity's methodology and motivations have been questioned (mostly by those who don't like what the company is saying). Now Audit Integrity has provided a compilation of academic studies that support the company's approach and results.



The results have consistently shown a clear correlation between Accounting and Governance Ratings and major negative events – regulatory actions, shareholder litigation, material financial restatements, bankruptcy and severe stock declines.

The AGR rating and risk models are designed to be predictive of such events, with all but the restatement model indicating the likelihood of the event occurring over the next 12 months (for restatements, the model identifies the risk for any time in the future.)

Granted that the report was produced by the company and may not be comprehensive, it provides a solid argument that the company's AGR ratings should be taken seriously by any investor looking to manage exposure to accounting and corporate governance risk.

The full report can be downloaded [here](#).

Wednesday, February 10th, 2010

<http://www.researchrecap.com/index.php/2010/02/10/academic-studies-support-validity-of-audit-integritys-corporate-governance-risk-ratings/>