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## [Audit Integrity Proves its Metal](#)

New York – Recent analysis of risk measures has proven [Audit Integrity](#) to be better than a number of academic risk measures. In addition, academic analysis which ranks commercial governance rating services also concludes that Audit Integrity is the best of the services analyzed.

Nine academic papers conclude that Audit Integrity outperforms both academic analysis–Sloan, Beneish’s M-score and Dechow et al’s F-Score, and others–and commercial ratings services. A synopsis of the most recent two papers is below:

- Detecting and Predicting Accounting Irregularities: A Comparison of Commercial and Academic Risk Measures (Feb 2010), Price, Sharp, Wood
  - We find that AGR outperforms academic risk measures in all head-to-head tests for detecting and most head-to-head tests for predicting Securities and Exchange Commission enforcement actions (AAERs), egregious accounting restatements, and shareholder lawsuits related to alleged accounting improprieties
- Rating the Ratings: How Good are Commercial Governance Ratings? (Sep 2009), Daines Gow Larker
  - This study demonstrates that Audit Integrity has statistically significant results at the 1% level of confidence in predicting Stock Performance, Class-Action Suits, Restatements and Operating Performance. This compares favorably with other commercial services.

That the results across 9 academic papers all identify Audit Integrity as the top performer, despite the type of comparisons used, all point to outperformance by Audit Integrity is overwhelming evidence that points to the strength of this product. The individual papers can be reviewed on the [Audit Integrity](#) web site.

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