







Home ► All Journals ► European Accounting Review ► List of Issues ► Volume 27, Issue 3 ► Corporate Risk Disclosure and Audit Fee: ....

European Accounting Review > Volume 27, 2018 - Issue 3

3,553 10 0

Views CrossRef citations to date Altmetric

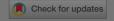
Research Note

# Corporate Risk Disclosure and Audit Fee: A Text Mining Approach

Rong Yang Manlu Liu & Kean Wu

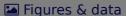
Pages 583-594 | Received 01 Feb 2016, Accepted 01 Apr 2017, Published online: 23 May 2017

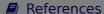
https://doi.org/10.1080/09638180.2017.1329660

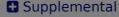


Sample our
Economics, Finance,
Business & Industry Journals
>> Sign in here to start your access
to the latest two volumes for 14 days

Full Article







**66** Citations

Metrics

Reprints & Permissions

Read this article

#### **Abstract**

The aim of this study is to introduce an innovative text mining approach to assess firms'

risks usi Natural I financial manage measure

show th

disclosi

requiren

strat

We Care About Your Privacy

We and our 842 partners store and/or access information on a device, such as unique IDs in cookies to process personal data. You may accept or manage your choices by clicking below, including your right to object where legitimate interest is used, or at any time in the privacy policy page. These choices will be signaled to our partners and will not affect browsing data. <a href="Privacy Policy">Privacy Policy</a>

We and our partners process data to provide:

Use precise geolocation data. Actively scan device characteristics for identification. Store and/or access information on a device. Personalised advertising and content, advertising and content measurement, audience research and services development.

List of Partners (vendors)

I Accept s including k

Essential Onlisk

The results

Show Purpose financial, textual risk egulatory orts.

## Acknowledgements

We very much appreciate the insightful comments and suggestions of Laurence van Lent (editor) and two anonymous referees of the European Accounting Review that greatly improved this paper. We also thanks for Yi Liang, Botao Chen, Alfred Zhu Liu and seminar participants at the 2016 AAA Annual Conference, Mid-Atlantic Region Meeting and CSWIM Meeting. All authors gratefully acknowledge financial support from Saunders College of Business. All remaining errors or omissions are the authors' responsibility.

### Notes

1 Unstructured data refer to information that either does not have a pre-defined data model or is not organized in a pre-defined manner. It is typically text-heavy and often includes multimedia content. While some files may have an internal structure, they are still considered unstructured because the data do not fit in a database (Feldman & Sanger, 2007). In contrast, structured data like spreadsheets are easily searchable by basic algorithms. Therefore, it is more difficult to analyze unstructured textual documents than structured ones.

2 The number of observations drops by 10,266 due to the calculation of RESTPROB and ACCR. In untabulated analysis, we re-run our tests excluding these two variables and the results still hold.

3 In the X erence betweer ndustrymedian code in a given ye asured as the cour remain quali 4 In add we number of recalcula sentence 5 Follow nat had a

404 audit in the initial year of the 404 audit, that is, the fiscal year ending on or after

15 November 2004. Then, we trace back one year to obtain ICMW in year 2003. In untabulated tests, our main results presented in Table 5 remain almost identical no matter we code ICMW using IC weakness under SOX 302 in 2003 or for the entire sample period.

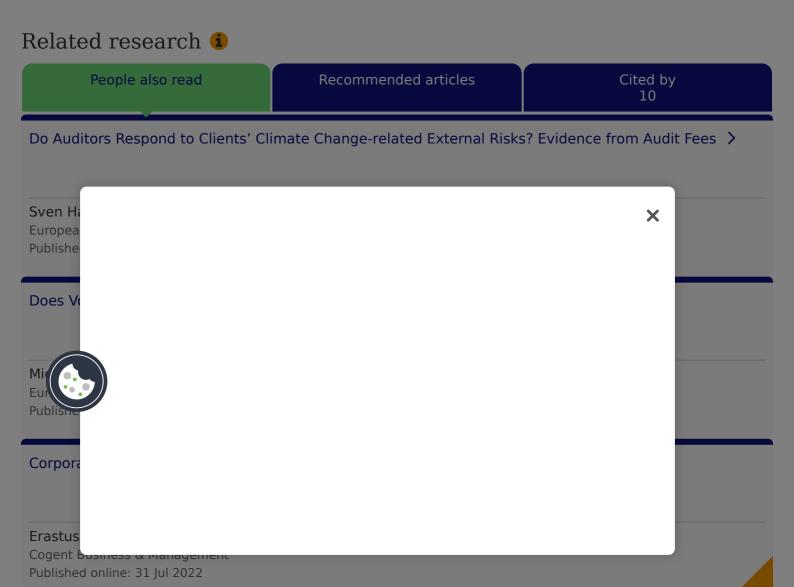
6 For example, one standard deviation of increase in financial risk for a median firm is related to increase in audit fee by \$18,256 (\$1,005,504\*0.001\*18.156).

7 The insignificant coefficient on the hazard risk could be the results of imprecise estimation due to the low variance of independent variables.

## Additional information

## Funding

All authors gratefully acknowledge financial support from Saunders College of Business.



#### Information for

Authors

**R&D** professionals

Editors

Librarians

Societies

Opportunities

Reprints and e-prints

Advertising solutions

Accelerated publication

Corporate access solutions

#### Open access

Overview

Open journals

Open Select

**Dove Medical Press** 

F1000Research

Help and information

Help and contact

Newsroom

All journals

Books

#### Keep up to date

Register to receive personalised research and resources by email



Sign me up













Accessib

Registered 5 Howick P





or & Francis Group