

Preface

This special issue is interested in topical issues related to the role of accounting information in modern society. During the past decade, several periods of turmoil has been observed and new social and economic challenges have emerged such as climate change, corporate social responsibility and dealing with uncertainty. These trends have shaped the economic as well as the financial sphere. More particularly, corporate governance and accounting have been directly concerned by these issues. To face these new challenges, we have decided to meet academicians and partitioners at the 2019 Financial Economic Meeting: Post-Crisis Challenges to debate these issues. We are very grateful to our keynotes speakers: Dr Jean-Francois Boulter, Chairman of Af2i, the French association regrouping institutional investors; Professor Ephraim Clark, Middlesex University, UK; and Professor Khaled Hussainy (Professor of Accounting at University of Portsmouth, UK); and also the participants (more than 16 countries).

During these two days of the conference in nice place Hammamet (Tunisia), a huge debate has been raised across various issues that might be disaggregated on two main issues presented on this special issue. The first deals with reporting carbon disclosure and internal audit quality and the second on corporate governance and financial performance.

This editorial aims to summarize the recent findings of the six papers discussed at the 2019 Financial Economic Meeting: Post-Crisis Challenges and selected for this special issue that covers the issue of accounting information in modern society.

1. Reporting carbon disclosure and internal audit quality

Since the subprime crisis, several challenges have been made from financial as well as accounting point of views. Interestingly, firms are embarked to adopt some practices related to environmental disclosure on financial markets. Specifically, firms are called to communicate their climate change-related risks, projects/opportunities, greenhouse gas emissions and their climate change management systems and processes. This issue has attracted investors as well as academicians. From another point of view, emerging economies, specifically some Arabic countries, experienced Arabic Spring have been called to improve their reporting and their auditing quality. For these issues, different panel sessions have been discussed during the Financial Economic Meeting that occurred in Hammamet (Tunisia), 20–22 December 2020. In this special issue, two papers have been published.

The first study entitled “Corporate impact of carbon disclosures: a nonlinear empirical approach” is coauthored by Rodriguez, Muñoz and Valentinetti. They propose a worthy study aiming to investigate the impact of recent developments in corporate reporting from the carbon disclosure project environment for the major European listed banks. Based on the nonlinear model, this study reaches two interesting findings. First, the authors show a heterogeneous behavior related to whether both stock prices and “online popularity” can register the impact of environmental reports being made public under the premise of a key global actor. Interestingly, when comparing the impact of a given report from a firm and its



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corresponding fingerprint in the financial or nonfinancial time series, the results are different, demonstrating a clearer impact in the financial one. Second, the authors show the existence of structural breakpoints, specifically the impact of the CDP reporting in both stock prices and online search trends of the sampled companies for certain periods.

In a second study, Krichene and Baklouti propose a second study entitled “Internal audit quality: perceptions of Tunisian internal auditors an explanatory research.” Across this research, the authors propose to understand whether internal auditors perceive the internal audit quality for the Tunisian context. They propose a self-administered questionnaire methodology for 104 internal auditors. Seven factors of the internal audit quality are determined based on a certified public accountant. The model is then confirmed based on confirmatory factor analysis. Based on a typological analysis of the auditors according to their way of perceiving the factors extracted by the CPA, the authors show that the knowledge of the internal auditor, the independence of reporting, compliance with professional standards of internal audit, the relationship with the external auditor, the personal relationship of the internal auditor, the access to information and the field of intervention of the internal auditor have a positive association with the internal audit quality. Second, four groups are disaggregated based on hierarchical cluster analysis, the autonomous, the perfectionists, the rigorous ones and the objectives.

2. Corporate governance and financial performance

For this second track, different issues have been discussed in the Financial Economic meeting. Four papers have been published related to corporate governance and performance. The first paper entitled “Does corporate tax aggressiveness explain future stock price crash? Empirical evidence from France” is coauthored by Taher Hamza and Elhem Zaatir. This study aims to examine the impact of corporate tax aggressiveness on future stock price crash and its capability for predicting stock price crash. Based on a sample of 1,169 French firm-years observations, this study shows that tax aggressiveness activity is positively related to a firm-specific future stock price crash. Moreover, corporate tax aggressiveness predicts stock price crash risk for a long forecast window (two years).

In the continuity of this analysis, Mashiyat Tasnia, Syed Musa Syed Jaafar AlHabshi and Romzie Rosman have proposed a study dealing with the impact of corporate social responsibility on the stock price for the US banks. Based on the random-effects panel regression estimation technique for 37 US banks ranged from 2013 to 2017 with 144 bank-years observation, this paper shows three main findings. First, this study finds a significant and positive relationship between CSR and stock price volatility. Second, tax payments and stock price volatility show a significant positive association. Third, shareholders are not interested in paying more taxes, so they may swap the market instead of paying more tax.

The third paper entitled “Diversification, corporate governance, regulation and bank risk-taking” is coauthored by Ahmed Imran Hunjra, Mahnoor Hanif and Rashid Mehmood and Loi Viet Nguyen. This study aims to investigate the impact of diversification, corporate governance and capital regulations on bank risk-taking in Asian emerging economies. Empirically, the authors assess this issue through the generalized method of moments applied for 116 listed banks of ten Asian emerging economies for the years 2010–2018. The authors found that diversification, the board size, CEO duality and board independence, block holders and capital regulations significantly affect bank risk-taking. In particular, nontraditional income sources such as noninterest income and the adoption of diversification strategies minimize bank risk-taking.

The last paper “Corporate governance and earnings forecast accuracy in IPO prospectuses: an empirical analysis” is coauthored by Faten Ben Ahmed, Bassem Salhi and

Anis Jarboui. This study aims to extend the research area dealing with the Tunisia initial public offering (IPO) associated earnings management forecasts, by an examination of the corporate governance mechanisms and earnings forecast accuracy relating impacts. Based on the multiple regression techniques applied for 33 IPO companies (165 firm-year observations) collected over the period ranging between 2011 and 2015, this study assesses the effect of corporate governance structures and audit quality on earnings forecast accuracy. The authors show that the companies displaying a respectable audit committee size have a significant level of earnings forecast accuracy. Moreover, the accuracy level associated with IPO earnings forecasts is positively influenced by the use of the brand-name auditor.

In the following, we present the full accepted chapters in this special issue. Please enjoy these papers.

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About the author

Zied Ftiti is Full Professor of Financial Econometrics and Head of the Research Center (OCRE) and Associate Dean of Research at EDC Paris Business School. After completing his Master's degree in Money, Finance and International Economics (Option of Applied Macroeconomics) at University of Lyon 2, he has obtained his PhD in Economics in University of Lyon (GATE Laboratory, CNRS-UMR 5824) and a PhD in Business in the University of Tunis, High Institute of Management. In 2013, he has obtained Habilitation for Supervising Doctoral Research in Management Sciences from the University of Tunis, and in 2019, he obtained Habilitation for supervising doctoral in Economics in University of Cergy-Pontoise. His research area includes financial econometrics, econometrics, financial markets, monetary economics and macroeconomics. Pr Zied Ftiti has published books and many papers in top-tier journals such as *Journal of Economic Dynamics and Control*, *Econometric Reviews*, *Annals of Operations Research*, *Applied Economics*, *Journal of International Monetary and Finance*, *Energy Journal*, *Energy Policy*, *Energy Economics*, *Quarterly Review of Economics and Finance*, *Economic Modelling*, *Economic Systems*, *Journal of Economic Integration*, *European Journal of Comparative Economics*, *Emerging Market Review*, *Open Economic Review*, *Applied Economics Letters*, *Finance Research Letters*, *International Review of Financial Analysis*, *Pacific-Basin Finance Journal*, *Bankers, Markets and Investors*, *Energy Studies Review*. Pr Zied Ftiti is Organizer of the Financial Economic Meeting conference.