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Audit Pricing for Privatised SOEs: Evidence from China*

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Abstract

This paper investigates how the privatisation of state-owned entities in China affects audit pricing. The empirical evidence, controlled for auditor choice, shows that formerly state-owned entities are charged higher audit fees after privatisation, and the results are more pronounced when entities are audited by large audit firms. Further analyses find that audit fees only increase for enterprises that experience a greater loss of innate political connections due to privatisation and those that do not acquire political connections subsequent to privatisation. This study contributes to the literature on both privatisation and audit pricing. In addition, it provides insights into the construction of a market economy system by examining how market intermediaries react to the transition of enterprises in an emerging market.

***Keywords*:** Privatisation, Audit Pricing, Audit Firm Size, Political Connections

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I. Introduction

The last three decades have seen a wave of privatisation throughout the world. A considerable amount of literature has been dedicated to the motivations and outcomes of this kind of property rights reform. Earlier studies, such as Galal *et al.* (1994), Megginson *et al.* (1994), and Shleifer (1998), among others, hold that state-owned enterprises (SOEs) have generally performed poorly and had serious agency problems in corporate governance. This branch of the literature believes that private firms are more efficient in resource utilisation due to their more professional management. This viewpoint has led to a wave of reform, in which enhancing SOEs' financial and operating performance is the most important motivation. Other studies find that political purposes (e.g. both touting for votes and mitigating fiscal pressures) can be short-term motivations for reform (Biais and Perott, 2002; Dinc and Gupta, 2011; Gan *et al.*, 2018). At the same time, other research has been devoted to debating the economic consequences of privatisation. Although Black *et al.* (2000), Tu *et al.* (2013), and Lu and Dranove (2013) identify a few problems in the privatisation process and post-privatisation, most empirical results reflect great achievements. Improved performance exists not only in firms (Boubakri and Cosset, 1998; Megginson and Netter, 2001; Sun and Tong, 2003; Boubakri *et al.*, 2005a; Boubakri *et al.*, 2005b; Gupta, 2005; Souza *et al.*, 2005; Hu *et al.*, 2006; Jiang *et al.*, 2013; Liao *et al.*, 2014; Brown *et al.*, 2015; Gan *et al.*, 2018) but also at the macro level (Boutchkova and Megginson, 2000; Berkowitz *et al.*, 2014).

Using the setting of privatisation, several papers discuss how company behaviour is influenced by such a significant change in ownership structure (Boubakri *et al.*, 2013; Yu *et al.*, 2013; Mohsni and Otchere, 2014; Huang *et al.*, 2018). Guedhami *et al.* (2009) and Bagherpour *et al.* (2014), which are most relevant to our research, find that after privatisation, firms are more likely to appoint a Big Four auditor to signal greater accounting transparency, and the likelihood of auditor switches is strongly associated with measures of auditor-shareholder and auditor-managerial misalignment under partial privatisation. However, our research mainly investigates the influence of privatisation on auditor pricing behaviour, and in that regard, it is different from those papers in two ways: (1) we mainly consider how audit pricing behaviour is influenced by privatisation after controlling for change of auditor; (2) instead of considering the company perspective, our study looks at the supply side to explain the link between privatisation and audit fees. There is little research on how political and economic transformation influences market intermediaries, and our study fills this void by examining whether auditors adjust audit fees for privatised SOEs.

In April 2003, the State-Owned Assets Supervision and Administration Commission of the State Council (SASAC) was founded to promote the privatisation of small and medium-sized SOEs in China. Some SOEs were fully privatised by transferring their

ultimate control from governments to private entities and changing the nature of the property from state owned to private. We manually collect data related to transfer of control for listed state-owned companies in China during the 10-year period from 2003 to 2012 and distinguish fully privatised enterprises from those whose ultimate control remains with the government.[2] We then test whether auditors adjust audit fees for privatised SOEs using a difference-in-differences (DID) model. The empirical evidence shows that formerly state-owned entities are charged higher audit fees after privatisation, and the results are more pronounced for entities audited by big audit firms. The results are robust after we control for change of auditor and selection bias.

Privatisation can affect audit fees in two ways. First, an ownership change usually results in a change in corporate governance and information quality. While government involvement or regulation may ostensibly help to ensure that corporate business activity is efficiently governed (La Porta *et al.*, 2000; Chang and Wong, 2004; Hu and Leung, 2012), SOE managers may also have stronger incentives to commit fraud for political purposes and more opportunities for corruption due to the "political shelter" provided by government ownership (Shleifer, 1998; Faccio, 2006; Fan *et al.*, 2007; Zhou, 2007; Wang *et al.*, 2008; Du *et al.*, 2011). In addition, SOEs have an "absence of supervision" problem because the ultimate controller is everyone rather than a specific person with both the incentive and ability to supervise senior management (Fan and Wong, 2005; Liu and Subramaniam, 2013). Thus, it is unclear whether privatisation improves or worsens the corporate governance and information quality of entities. As corporate governance and information quality may affect audit risk and thereby affect the auditor's effort, auditors may adjust their fees according to a change in audit effort related to SOE privatisation. Second, enterprises lose political connections to the government after privatisation. Studies show that political connections can reduce an enterprise's litigation risk (Faccio, 2006; Gul, 2006; Correia, 2014; Lei *et al.*, 2009). *Ceteris paribus,* an auditee faces a greater risk of being sued after losing its political connections, which means that its auditor is more likely to be involved in litigation. Therefore, auditors may charge higher fees as risk premiums. Our empirical results show that the increase in audit fees is driven by the subsample of entities that are more completely privatised and entities that have completely lost their political connections,[3] indicating that

[2] In our data, there are two kinds of transfer events. When government transfers control to private entities, we regard that as full privatisation, and these enterprises are included as fully privatised enterprises. Transfer of control between different governments (levels or regions) is regarded as no change in ultimate control, and these enterprises are included in the subsample of enterprises whose ultimate control remains with government.

[3] SOEs are both controlled and supported by the government. They are closely related to the government, and thus their equity has innate political connections (Bushman *et al.*, 2004). As a result of privatisation, state-owned shares leave an enterprise, which incurs a loss of related political connections. Therefore, privatisation can be regarded as a process in which enterprises lose political connections. Unlike SOEs, private enterprises are not politically connected in terms of equity, but their shareholders and managers can build political ties by running for parliament (Faccio, 2006) or to be a representative of the National People's Congress (Lei *et al.*, 2009). In this paper, such political connections are referred to as acquired

auditors charge higher audit fees in response to the higher litigation risk after the loss of political connections.

This study contributes to the literature in three ways. First, it adds to the literature on SOE privatisation by examining how auditors react to privatisation in their pricing. To the best of our knowledge, our study is the first to examine the influence of privatisation on auditors as a market intermediary. In addition, by observing auditors' reactions in the Chinese market, a typical representative of emerging markets, this paper casts light on the current operating model of such markets. Second, it provides additional evidence on the relationship between ownership and audit fees by introducing privatisation as an exogenous shock. Third, our findings enrich the literature related to political connections and audit fees. Specifically, the current research on political connections and audit pricing mostly features a statistical analysis of achievements, little of which addresses both innate and acquired political connections. This paper uses the setting of SOE privatisation to dynamically investigate how loss of innate political connections affects audit pricing; this dynamic approach rules out some endogenous factors and makes our results more convincing. Even more importantly, we find that when auditors price their services, only enterprises that do not acquire political connections after privatisation are charged significantly higher fees. That is, after privatisation, the auditee loses the bonus of the innate political connections it had when it was state owned, but acquired political connections may offer some compensation. Considering both innate and acquired political connections, our study comprehensively examines the relationship between political connections and audit pricing.

The remainder of the paper is organised as follows. Part II presents the research hypotheses. Part III introduces the research models and sample. Part IV reports the descriptive statistics and main results. Part V contains the robustness tests. Part VI contains the additional tests. Part VII concludes the paper.

II. Hypotheses

SOEs and private enterprises differ in terms of governance and information quality requirements. These differences profoundly affect audit cost and risk and thus audit fees. Although ostensibly facing more rules and regulations, research has found that without effective supervision, SOE managers are more likely to be involved in rent diversion activities. First, they have stronger incentives to commit fraud for political ranking purposes. In China, SOE managers, like government officials, are politically ranked with both economic and social objectives. To meet targets in the "tournament" and seek promotion, they pursue empire building and other speculations (Fan *et al.*, 2007; Zhou, 2007; Wang *et*

political connections. In our research, privatised enterprises that, after losing their innate political equity connections, do not make acquired political connections are regarded as having completely lost their political connections.

al., 2008; Du *et al.*, 2011). Second, there are more opportunities for rent diversion in SOEs due to the political shelter provided by the government. In exchange for votes, political contributions, and bribes, government officials compensate SOEs by providing political shelter, which leads to even more rent-seeking or misstatement activities; thus, SOE managers' litigation risk is small (Shleifer, 1998; Faccio, 2006). To cover up excessive perks and bribery, financial report manipulation is a convenient and low risk choice for SOE managers, and this lowers the quality of accounting information disclosure (Shleifer, 1998; Bushman *et al.*, 2004; Dyck and Zingales, 2004; Fan and Wong, 2005; Faccio, 2006; Gul, 2006; Fan *et al.*, 2007; Wang *et al.*, 2008; Du *et al.*, 2011; Liu and Subramaniam, 2013). Lower quality information requires more auditor effort and thus increased fees. In this theory, after privatisation, more professional management can mitigate the agency problem. Meanwhile, compared with the management of SOEs that enjoys political ranking, the management of private enterprises is more market oriented, which forces them to engage in fewer rent diversion activities to keep their status vis-à-vis the competition. If privatisation improves corporate governance and accounting information transparency through the participation of private shareholders and the power of the market, auditor's efforts should be reduced. On this basis, when an auditee is privatised, there may be a decline in audit fees.

However, China is a country in transition characterised by the parallel effects of market and administrative powers on business operations. Compared with private enterprises, SOEs may have more innate political connections, thus providing plenty of bonuses. For instance, as an important resource, political connections give enterprises preferential tax treatment and more convenient bank loans (Agrawal and Knoeber, 2001; Gul, 2006; Claessens *et al.*, 2008; Wang *et al.*, 2008). Tax preference and financing convenience reduce enterprises' demands for tax avoidance and relieve financing pressure, weakening the motivation to engage in earnings management for such purposes. Lower earnings management requires less auditing effort and thus lower fees. More importantly, in an emerging market with lower law enforcement efficiency, political connections act as a shelter for enterprises. Politically connected auditees can find shelter that exempts them from penalties, even in the case of financial fraud (Chen and Pan, 2007; Liu and Subramaniam, 2013), and also provides a large security margin and lower litigation risk for auditors.[4] Once privatised, former SOEs lose their shelter, *ceteris paribus*, which leads to a higher litigation risk for auditors. As a result, auditors charge higher fees for risk compensation. Thus, it remains to be seen whether auditors raise or lower audit fees after privatisation. In this paper, a pair of opposite hypotheses is proposed.

[4] If auditees have political connections, auditors can rely on their customers' background to lower litigation risk in two ways. First, with the political shelter brought by political connections, accounting malpractice or fraud is less likely to be revealed. Second, in the event of an audit failure being exposed to the public, auditors can rely on customers' background to mitigate any penalties and solve litigation problems. So, political connections provide large security margins to both enterprises and auditors.

Hypothesis 1-1: Compared with other SOEs and to the pre-privatisation period, there will be an increase in audit fees after auditees' privatisation.

Hypothesis 1-2: Compared with other SOEs and to the pre-privatisation period, there will be a decrease in audit fees after auditees' privatisation.

Auditors vary in their proficiency, risk preference, and bargaining power. Large audit firms are more likely to have deep pockets (Dye, 1993; Lennox, 1999; Lennox and Li, 2014) and greater bargaining power at the same time (Defond *et al.*, 2000; Fan and Wong, 2005; Liu and Subramaniam, 2013). If the loss of political shelter increases auditees' litigation risk after privatisation, then auditors, who are considered to have deep pockets, are also more likely to be listed as a defendant, *ceteris paribus*. As large audit firms are often regarded as having deeper pockets when accounting malpractice or fraud is revealed, they may take more radical measures and ask for a larger premium to compensate for potential economic losses. The good reputation enjoyed by large audit firms is a "signal resource" for auditees (Fan and Wong, 2005; Wang *et al.*, 2008; Guedhami *et al.*, 2009), and compared with other auditors, large audit firms are more capable of upward fee adjustments. Competition in China's audit market is extraordinarily fierce, and auditors compete against each other using a low-price strategy (Chen *et al.*, 2011). Compared with large firms with stable client resources, small auditors are confronted with even greater market competition. If privatisation reduces audit risk, small auditors may lower audit fees to attract clients. On the basis of the above analysis, we propose the following conditional hypotheses:

Hypothesis 2-1: Compared with small auditors, large auditors are more likely to charge privatised auditees higher fees, if H1-1 exists.

Hypothesis 2-2: Compared with large auditors, small auditors are more likely to charge privatised auditees lower fees, if H1-2 exists.

III. Research Design

3.1 Sample and Data Sources

We utilise the data for state-owned share transfers in the China Securities Markets and Accounting Research (CSMAR) database. Among the state-owned listed companies whose control was transferred in the 10-year period from 2003 to 2012, we manually collect the data of those enterprises that were fully privatised. To control for the confounding effects of other events in this time series, only the year of the event and three years before and after are included in the observation interval for our DID model. We carry out an empirical test of whether the auditor adjusted its fees after privatisation from 2001 to 2015.[5] [6] Furthermore,

[5] 2003 is chosen as the starting year because in April 2003, the State-Owned Assets Supervision and Administration Commission of the State Council (SASAC) was founded. The SASAC better defines property rights, offering better conditions to judge the direction and effect of property rights transfers.

following the literature, the following are excluded from the sample: (1) financial enterprises, due to their specialised audit procedures and pricing; (2) enterprises that have experienced multiple control transfers; and (3) enterprises whose property nature cannot be defined after the transfer of control. Finally, 117 completely privatised enterprises and 92 enterprises whose property rights have been transferred but whose ultimate control is unchanged are selected. The data on privatised enterprises and those under ultimate government control are organised manually, and other data are drawn from the CSMAR database.

3.2 Regression Variables

With reference to Simunic (1980), we specify the following regression as our main model to test the hypothesised effects of privatisation on audit pricing:

$$\begin{aligned} LFEE_{i,t} = {} & \alpha_0 + \alpha_1 TREATED_{i,t} + \alpha_2 AFTER_{i,t} + \alpha_3 TREATED * AFTER_{i,t} + \\ & \alpha_4 SIZE_{i,t} + \alpha_5 ROA_{i,t} + \alpha_6 LEV_{i,t} + \alpha_7 REC_{i,t} + \alpha_8 INV_{i,t} + \\ & \alpha_9 CRR_{i,t} + \alpha_{10} ROC_{i,t} + \alpha_{11} OP_{i,t} + \alpha_{12} BIG8_{i,t} + \alpha_{13} \sum YEAR + \\ & \alpha_{14} \sum INDUSTRY + \\ & \varepsilon_{i,t}, \end{aligned} \tag{1}$$

where *LFEE* refers to audit fees, measured by the natural logarithm of the domestic audit fees of listed companies, and *TREATED* is the event indicator variable. The privatised enterprises are the experimental group, and their *TREATED* value is set to 1; enterprises whose control is transferred but where ultimate control remains with the government are the control group, and their value is set to 0. *AFTER* is a time indicator that distinguishes periods before and after the transfer of control: in the year of the transfer event and after, its value is 1; otherwise it is 0. In this model, we pay special attention to the coefficient α_3 for the interaction term *PRIVATR*AFTER*, which represents the auditor's fee adjustment for privatised enterprises (experimental group) compared to that for (1) enterprises whose ultimate control still belongs to the government (control group) and (2) enterprises in the period before the control transfer event. If the coefficient is significantly positive, it means that the auditor raised its fees after the auditee was privatised. A negative coefficient indicates a decline in audit fees after privatisation.

In the test for Hypothesis 2, the above model is again adopted. The only difference is that the variable "*BIG8*", which judges whether an audit firm is large, is no longer a control variable; instead, it is a variable for grouping.[7] By comparing the difference in the coefficients for the interaction term *PRIVATR*AFTER* between these two groups, we test

[6] Disclosure of audit fees in China started in 2001. Thus, for control transfers that took place in 2003, only 2 years can be observed before the event (2001-2002).

[7] If auditors are top 4 international or top 4 national auditors, we regard them as large auditors. The definition of this variable is described in Table 1.

whether auditors of different sizes take different measures to adjust audit fees for privatised SOEs.

In terms of control variables, we select proxy variables for several aspects, including the enterprise's basic characteristics, operational status, audit opinions, and auditor's characteristics. To control for time and industry effects, year and industry fixed effects are used. The variable definitions are described in Table 1.

Table 1 Variable Definitions

Variable	Definition
For main tests	
LFEE	Natural logarithm of domestic audit fees
TREATED	Dummy variable that equals 1 if firms belong to the treatment group and 0 otherwise
AFTER	Dummy variable that equals 1 in the year of the transfer event and the years after and 0 otherwise
SIZE	Natural logarithm of total assets
ROA	Net income/Total assets
LEV	Total liabilities/Total assets
REC	Total receivables/Total assets
INV	Total inventory/Total assets
CRR	Total current assets/Total current liabilities
ROC	Net cash flow of operating activities/Sales
OP	Dummy variable that equals 1 for modified opinions and 0 otherwise
BIG8	Dummy variable that equals 1 for the Big 8 audit firms and 0 otherwise
For robustness tests	
CHANGE	Dummy variable that equals 1 if firms change auditors after the transfer event and 0 otherwise
NI	Net income
LFEE2	The difference between a company's LFEE and its industry's average value
For additional tests	
M-SHARES	Management shareholding. Privatised enterprises are divided into two groups. If there are management holdings, firms are put in the M-SHARES group; otherwise, they are put in the N-M-SHARES group.
BALANCE	Share-balance. The total number of shares held by the second to fifth shareholders divided by the number of shares held by the largest shareholder. Privatised enterprises are divided into two groups. If the ratio is above the sample average, firms are put in the H-BALANCE group; otherwise, they are put in the L-BALANCE group.
G-SHARES	Government shareholding. The number of state-owned shares over the total number of shares. Privatised enterprises are divided into two groups. If the ratio is above the sample average, firms are put in the H-G-SHARES group; otherwise, they are put in the L-G-SHARES group.
APC	Acquired political connections. Privatised enterprises are divided into two groups. If chairmen, CEOs, or ultimate controllers have political ties by running to be a representative on the National People's Congress or Political Consultative Committee, privatised firms are put in the APC group; otherwise, they are put in the N-APC group.
A-EFFORT	Audit effort. Days from balance sheet date to audit report date.
EM	Accounting information quality. The absolute value of earnings management calculated by the modified Jones model.

IV. Main Empirical Results

4.1 Descriptive Statistics and Univariate Tests

Table 2 summarises the descriptive statistics of the main variables, and the results of the univariate tests are reported in Table 3. We winsorise the continuous variables at the 1% level to avoid the effect of outliers. The average *LFEE* is 12.934, with a minimum value of 11.918 and a maximum value of 14.457, which are close to those in Liu and Subramaniam (2013). In addition, the subsample of privatised enterprises comprises 58.8% of the full sample, and the post-transfer subsample represents 57.4% of the full sample; both of these are quite close to 50%, enhancing the test's effectiveness. Despite a negative mean *ROA*, the median 0.018 does not differ much from prior studies. From the descriptive statistics of the other control variables, no abnormality is seen. In Table 3, we compare the means of audit fees for different groups. There is a significant difference in the audit fees of the experimental group before and after privatisation in the full sample. In comparison, in the control group, no significant difference is observed in the mean value of audit fees before and after the event. Meanwhile, the DID value of audit fees is statistically positive at the 5% level (i.e., compared with enterprises whose ultimate control remains with the government and those in the pre-event period, fully privatised enterprises are charged higher audit fees). Thus, Hypothesis 1-1 is verified preliminarily. Only in the sample audited by BIG 8 auditors is the DID value of audit fees significantly positive; this indicates that, compared with enterprises ultimately controlled by the government and those in the pre-event period, only large auditors raise audit fees for fully privatised enterprises. Thus, Hypothesis 2-1 is also preliminarily verified.

Table 2 Descriptive Statistics for the Main Variables

Variable	obs.	mean	min.	p50	max.	std.
LFEE	1175	12.934	11.918	12.899	14.457	0.488
TREATED	1350	0.588	0	1	1	0.492
AFTER	1350	0.574	0	1	1	0.495
SIZE	1350	20.923	18.272	20.851	23.927	1.035
LEV	1350	0.710	0.067	0.577	7.508	0.895
ROA	1350	-0.018	-1.359	0.018	0.399	0.190
REC	1350	0.125	0.000	0.091	0.526	0.115
INV	1350	0.168	0.000	0.118	0.833	0.168
CRR	1350	1.469	0.046	1.077	14.040	1.768
ROC	1339	0.056	-2.702	0.067	1.127	0.413
OP	1350	0.181	0	0	1	0.386
BIG8	1350	0.179	0	0	1	0.383

Note: This table reports the summary descriptive statistics for the regression variables used in the H1 and H2 tests to examine the effect of privatisation on audit pricing and the moderating effect of audit firm size. The data are related to the transfer of control for Chinese state-owned listed companies in a 10-year period from 2003 to 2012. This analysis tries to cover three years before and after transfer events and the event year itself. Because disclosure of audit fees in China started in 2001, and due to limited data for transfers of control that took place in 2003, only two years could be observed before the event (2001–2002). Therefore, our sample is from 2001 to 2015.

Table 3 Univariate Tests

3-1 Full sample				
Treatment group		Control group		
Before (1)		Before (3)		Difference (7) = (1)−(3)
mean	sd	mean	sd	-0.130***
12.814	0.435	12.944	0.494	
After (2)		After (4)		Difference (8) = (2)−(4)
mean	sd	mean	sd	-0.034
12.976	0.483	13.010	0.524	
Difference (5) = (2)−(1)		Difference (6) = (4)−(3)		**DID**
0.162***		0.066		**0.062****
3-2 BIG8				
Treatment group		Control group		
Before (1)		Before (3)		Difference (7) = (1)−(3)
mean	sd	mean	sd	-0.367***
12.905	0.527	13.272	0.440	
After (2)		After (4)		Difference (8) = (2)−(4)
mean	sd	mean	sd	0.072
13.355	0.562	13.283	0.559	
Difference (5) = (2)−(1)		Difference (6) = (4)−(3)		**DID**
0.450***		0.011		**0.197****
3-3 NON-BIG8				
Treatment group		Control group		
Before (1)		Before (3)		Difference (7) = (1)−(3)
mean	sd	mean	sd	-0.094**
12.800	0.418	12.894	0.484	
After (2)		After (4)		Difference (8) = (2)−(4)
mean	sd	mean	sd	-0.032
12.896	0.423	12.928	0.486	
Difference (5) = (2)−(1)		Difference (6) = (4)−(3)		**DID**
0.096***		0.034		**0.030**

Note: (1) This table reports the results of the univariate analysis for the treatment and control groups before and after transfer events. (2) *significance at the 0.1 level, **significance at the 0.5 level, and ***significance at the 0.01 level.

4.2 Multiple Regression Analysis

Our empirical strategy includes initially estimating m1 to m6 in Table 4 to examine hypotheses 1 and 2. For m2, m4, and m6, enterprises' basic characteristics, operational status, audit opinion, and auditor characteristics are added. Also, industry and year fixed effects are added. The coefficients for the interaction term *TREATED*AFTER* in m1 and m2 are significantly positive at the 5% and 1% levels. Compared with enterprises ultimately controlled by the government and those in the period before privatisation, auditors raise fees for privatised enterprises, which is consistent with Hypothesis 1-1. Furthermore, no significant correlation is found between the event indicator variable *TREATED* and *LFEE* in

Table 4 Regressions for H1 and H2

	(1)	(2)	(3)	(4)	(5)	(6)
Variable	m1	m2	m3	m4	m5	m6
TREATED	-0.0681	-0.0300	-0.290**	-0.306***	-0.0433	0.00452
	(-1.63)	(-0.87)	(-2.02)	(-2.65)	(-1.05)	(0.13)
AFTER	-0.0825*	-0.127***	-0.0945	-0.265**	-0.0752	-0.107***
	(-1.79)	(-3.32)	(-0.66)	(-2.37)	(-1.61)	(-2.63)
*TREATED*AFTER*	0.118**	0.154***	0.401**	0.502***	0.0862	0.108**
	(2.13)	(3.39)	(2.30)	(3.56)	(1.55)	(2.25)
SIZE		0.260***		0.332***		0.241***
		(20.72)		(9.40)		(17.55)
LEV		0.0807***		-0.0344		0.0747***
		(4.73)		(-0.22)		(4.45)
ROA		-0.0219		0.115		-0.0340
		(-0.29)		(0.30)		(-0.45)
REC		0.211**		-0.000296		0.262**
		(1.96)		(-0.00)		(2.30)
INV		-0.325***		-0.454**		-0.321***
		(-3.96)		(-2.08)		(-3.60)
CRR		-0.00515		-0.0161		-0.00426
		(-0.76)		(-0.85)		(-0.56)
ROC		-0.0464*		-0.212**		-0.0184
		(-1.70)		(-2.60)		(-0.64)
OP		-0.0259		0.0712		-0.0185
		(-0.77)		(0.62)		(-0.52)
BIG8		0.267***		\		\
		(8.63)		\		\
YEAR	YES	YES	YES	YES	YES	YES
INDUSTRY	YES	YES	YES	YES	YES	YES
CONSTANT	13.41***	7.619***	13.12***	5.824***	13.26***	8.071***
	(105.50)	(25.58)	(38.85)	(7.19)	(92.06)	(24.76)
N	1169	1169	198	198	971	971
R^2	0.165	0.440	0.217	0.558	0.174	0.390
F	7.504	22.700	1.822	6.055	6.622	15.690
Chow test:(m3-m5)Prob > chi2 = 0.048						
Chow test:(m4-m6)Prob > chi2 = 0.002						

Note: (1) This table reports the OLS regression results. (2) *significance at the 0.1 level, **significance at the 0.5 level, ***significance at the 0.01 level. (3) In this table, m1 and m2 are tests of the full sample. The coefficients for the interaction term *TREATED*AFTE*R in m1 and m2 are both significantly positive, showing that compared with enterprises ultimately controlled by the government and those in the pre-privatisation period, auditors raise fees for privatised enterprises, which is consistent with Hypothesis 1-1. (4) Enterprises are divided into two groups. If a firm's auditors are BIG8, they are put in m3 and m4, and the others are put in m5 and m6. After the Chow test for the interaction term, we see that the coefficient for *PRIVATR*AFTER* in the sample audited by BIG8 is significantly greater, which is consistent with Hypothesis 2-1.

m1 or m2. To some degree, before the control transfer, auditors did not lower or raise audit fees for enterprises to be privatised. Meanwhile, the time indicator *AFTER* and *LFEE* are

negatively correlated, perhaps due to price competition among auditors as a result of the increasingly fierce competition in China's audit market (Chen *et al.*, 2011). This additional evidence shows that higher audit fees are caused neither by the intrinsic characteristics of privatised enterprises nor by time but rather are related to the privatisation reform event, which makes our argument fairly convincing. In terms of the control variables, *SIZE*, *LEV*, *REC*, and *BIG8* are all significantly positively correlated with *LFEE*, and *INV* is significantly negatively correlated with *LFEE*. These results are consistent with the conclusions of current studies. The regression test results on whether auditors belong to the *BIG8* are represented in m3 to m6. The enterprises are divided into two groups. If an enterprise's auditors are *BIG8*, they are put into m3 and m4, and the others are put into m5 and m6. From these models, we can see that the coefficients for the interaction term *PRIVATR*AFTER* are significantly greater in the sample audited by large auditors. This means that the loss of political shelter makes auditees face a greater litigation risk after privatisation, and large audit firms are often regarded as having deep pockets and to be more likely to be listed as a defendant when accounting malpractice or fraud is revealed, so they may take more radical measures and ask for a larger premium to compensate for potential economic losses, which supports the intuition behind Hypothesis 2-1.

V. Robustness Tests

5.1 The Problem of Auditor Selection

A change of auditors and fee adjustments are closely related. After privatisation, enterprises' demand for external auditors may vary with the ownership change (Wang *et al.*, 2008; Guedhami *et al*., 2009; Bagherpour *et al.*, 2014). A change of auditor also directly affects audit fees. If this is not taken into account, we cannot determine whether a change in audit fees is in response to privatisation or caused by the change of auditor. If it is the latter, then fee adjustments are not fully explained by the auditor's response to privatisation on the supply side. Instead, the chances are that the auditee replaced its auditor or purchased an audit opinion. We therefore conduct the following tests to exclude the possibility that the change in fees is due to the change of auditor. First, for both the experimental and control groups, enterprises whose auditor was replaced after the transfer of control are dropped. Column (1) of Table 5 reports the regression results, which show that the coefficient for *TREATED*AFTER* is still significantly positive. Second, the Chow test is conducted with m2 in Table 5, which is the original regression model. No significant difference is found between the coefficients for *TREATED*AFTER* from these two models. These tests reduce the problem of a possible auditor change effect to some degree and verify the direct correlation between privatisation reform and audit pricing adjustment.

Table 5 Robustness Tests: Controlling for Auditor Selection

	(1)	(2)
Variable	m1	m2
TREATED	0.0436	-0.0300
	(0.85)	(-0.87)
AFTER	-0.0647	-0.127***
	(-1.05)	(-3.32)
*TREATED*AFTER*	0.116*	0.154***
	(1.75)	(3.39)
SIZE	0.327***	0.260***
	(18.05)	(20.72)
LEV	0.121***	0.0807***
	(4.71)	(4.73)
ROA	0.0887	-0.0219
	(0.64)	(-0.29)
REC	0.251*	0.211**
	(1.67)	(1.96)
INV	-0.306**	-0.325***
	(-2.47)	(-3.96)
CRR	-0.00207	-0.00515
	(-0.24)	(-0.76)
ROC	0.0345	-0.0464*
	(1.03)	(-1.70)
OP	0.00281	-0.0259
	(0.05)	(-0.77)
BIG8	0.329***	0.267***
	(7.17)	(8.63)
YEAR	YES	YES
INDUSTRY	YES	YES
CONSTANT	6.051***	7.619***
	(13.44)	(25.58)
N	546	1169
R^2	0.573	0.440
F	18.980	22.700
Chow test:(m1-m2)Prob > chi2 = 0.339		

Note: (1) This table reports the OLS regression results after controlling for auditor selection. (2) *significance at the 0.1 level, **significance at the 0.5 level, ***significance at the 0.01 level. (3) In m1, enterprises whose auditor is replaced after the control transfer event are excluded. Controlling for auditor selection, the coefficients for *TREATED*AFTER* are still significantly positive in m1. In addition, m2 is same as in Table 4, and after the Chow test between m1 and m2, we see no significant difference for *TREATED*AFTER* in these two columns, which reduces the possibility of an auditor switch effect and verifies the direct correlation between privatisation and the adjustment of audit fees.

5.2 Other Robustness Tests

5.2.1 The PSM Test

Considering the government's policy of invigorating large enterprises while relaxing control over small ones,[8] completely privatised enterprises may differ from those ultimately

[8] "Invigorating large enterprises while relaxing control over small ones" means the government concentrating on a small number of key enterprises related to the national economy and people's well-being that have to be controlled by the state, while loosening its grip on SOEs in ordinary industries where there is production competition.

controlled by the government before the event. To avoid the effect of these differences, we adopt the propensity score matching (PSM) method and find a control group (SOEs) with smaller trait differences for the experimental group (fully privatised enterprises).[9] Abiding by the relevant documents, we set *SIZE*, *LEV*, *NI*, the year of privatisation, and the industry of the privatised enterprise as matching indicators. For the enterprises that remained state owned at the end of 2015, we match privatised enterprises one by one using the PSM method. After PSM matching, the regression results are consistent with the previous conclusion.

5.2.2 The Placebo Test

Is it possible that auditors raise audit fees for some enterprises for reasons other than privatisation? To address this question, we conduct a placebo test.[10] Enterprises used for the main test are divided randomly into new experimental and control groups at a ratio of 1:1. If, after redefining the experimental and control groups, the coefficient of *TREATED*AFTER* is consistent with the previous result, the results of the previous test are questionable (i.e., audit fee adjustments are not necessarily related to privatisation). After both groups are redefined, the coefficient for *TREATED*AFTER* is insignificant. Thus, the reason auditors raise audit fees is quite likely due to the effect of privatisation.

5.2.3 The Firm Fixed Effects Test

To further reduce the problem of endogeneity, we adopt firm fixed effects and control for factors that do not vary with time. In the following equation, *DID* is a dummy variable that represents the progress of privatisation reform in enterprise i at time t. If, at time t, enterprise i has been fully privatised and lost its innate political connections, its value is 1; otherwise, its value is 0. X_{it} is a control variable consistent with the models mentioned previously. T_t represents the control variable in the time dimension; A_i represents unobservable factors that do not change with time, which can be controlled for with the fixed effects model. The results of the test in Table 6-3 show that the coefficient for *DID* remains significantly positive at the 1% level, which means that after factors that do not vary with time are controlled for, our conclusion remains robust.

$$LFEE_{i,t} = \alpha_0 + \alpha_1 DID_{i,t} + \alpha_2 X_{i,t} + \alpha_3 A_i + \alpha_4 T_t + \alpha_5 \sum YEAR + \alpha_6 \sum INDUSTRY + \varepsilon_{i,t} \quad (2)$$

[9] In the main test, through the DID model, we observe the responses of completely privatised enterprises before and after the event and test the hypothesis. This already partly relieves the problems mentioned herein. To make the study more rigorous, we adopt the PSM method to find a new control group to further control for the effects of existing differences on the result.

[10] In the DID model, the time that enterprises are put in the experimental group varies, which on its own reduces the problem that other events occurring during control transfer may affect the results. However, to make the study more rigorous, a placebo test is run.

Table 6 Other Robustness Tests

Table 6-1: PSM test		
Variable	coefficient	t-value
TREATED	0.00289	(0.11)
TREATED*AFTER	0.0720**	(2.21)
CONTROLS	YES	
N	1927	
R^2	0.461	
F	44.91	
Table 6-2: Placebo test		
Variable	coefficient	t-value
TREATED	-0.0445	(-1.35)
AFTER	-0.0403	(-1.11)
TREATED*AFTER	0.0187	(0.42)
CONTROLS	YES	
N	1169	
R^2	0.432	
F	22.04	
Table 6-3: Firm fixed effect test		
Variable	coefficient	t-value
DID	0.114***	(4.41)
CONTROLS	YES	
N	1169	
R^2	0.183	
F	8.810	
Table 6-4: Alternative variables (LFEE2)		
Variable	coefficient	t-value
TREATED	-0.0585*	(-1.71)
AFTER	-0.144***	(-3.79)
TREATED*AFTER	0.175***	(3.88)
CONTROLS	YES	
N	1169	
R^2	0.280	
F	11.24	
Table 6-5: Alternative sample range		
Variable	coefficient	t-value
TREATED	-0.0299	(-0.86)
AFTER	-0.149***	(-3.46)
TREATED*AFTER	0.171***	(3.49)
CONTROLS	YES	
N	1008	
R^2	0.448	
F	20.16	

Note: (1) This table reports the results of other robustness tests. (2) *significance at the 0.1 level, **significance at the 0.5 level, ***significance at the 0.01 level. (3) The control variables are the same as before. (4) The PSM test result, placebo test result, the firm fixed effect test, and the tests for alternative variable measurement and alternative sample range are reported in Tables 6-1 to 6-5, respectively. After these robustness tests, the coefficient for *TREATED*AFTER* is still significantly positive and consistent with our original results.

5.2.4 Alternative Variables

We set abnormal audit fees as the explained variable and assess it by looking at the difference between the natural logarithm of domestic audit fees disclosed by listed companies and the industry average. Table 6-4 shows that the interaction term *TREATED*AFTER* and abnormal audit fees are significantly positively correlated. This is consistent with the previous conclusion.

5.2.5 Alternative Sample Range

Considering that the control transfer event may increase the auditor's workload and thus lead to higher fees, data for the event year are excluded and another regression analysis is conducted. As shown in Table 6-5, after those data are excluded, the results remain consistent.

VI. Additional Tests

We perform additional tests to see why auditors raise their fees after privatisation. Is it due to more severe agency problems after privatisation, or is it because the privatised enterprise loses the shelter provided by the government? In addition, we examine accounting information quality after privatisation in this section.

6.1 An Agency View Based Channel Test

The agency problem can be divided into two types. The first type of agency problem lies between shareholders and managers, which may be reduced if the management holds company shares (Jensen and Meckling, 1976; Jensen and Murphy, 1990). The other is the conflict between large shareholders and small and medium shareholders, which can be relieved through share balance (Bennedsen and Wolfenzon, 2000; La Porta *et al.*, 2002). On this basis, privatised enterprises are partitioned into two groups according to whether or not the management holds shares after privatisation and put into the DID model respectively for comparison with enterprises whose ultimate control belongs to the government. In addition, privatised enterprises are divided into two groups according to their share-balance level (high or low)[11] and then put into the DID model respectively for comparison. If auditors raise fees due to worse corporate governance caused by privatisation reform, in this regression, there would be a significant difference in the coefficient for the interaction term *TREATED*AFTER* for different governance levels. However, in Table 7, no significant difference is found, whether between columns (1) and (2) or between columns (3) and (4). Thus, the empirical evidence does not prove a correlation between higher audit fees and the change of governance of privatised enterprises.

[11] The definition of share-balance level and grouping standard are shown in Table 1.

Table 7 Channel Test 1

	M-SHARES	N-M-SHARES	L-BALANCE	H-BALANCE
Variable	m1	m2	m3	m4
TREATED	0.0514	-0.0378	-0.0696*	0.0518
	(1.10)	(-0.99)	(-1.71)	(1.23)
AFTER	-0.144***	-0.135***	-0.128***	-0.154***
	(-3.51)	(-3.47)	(-3.17)	(-3.91)
*TREATED*AFTER*	0.172***	0.127**	0.171***	0.125**
	(2.89)	(2.51)	(3.19)	(2.26)
SIZE	0.275***	0.258***	0.256***	0.270***
	(16.72)	(18.77)	(17.06)	(17.94)
LEV	0.125***	0.119***	0.0954***	0.131***
	(4.86)	(2.87)	(3.10)	(4.48)
ROA	0.00305	0.0205	-0.0828	0.114
	(0.03)	(0.17)	(-0.70)	(0.97)
REC	0.143	0.231*	0.377***	0.0302
	(1.08)	(1.85)	(2.87)	(0.24)
INV	-0.505***	-0.358***	-0.479***	-0.342***
	(-5.16)	(-3.52)	(-4.93)	(-3.36)
CRR	0.0214*	-0.00676	0.00936	-0.00750
	(1.85)	(-0.91)	(0.95)	(-0.92)
ROC	-0.0200	-0.0523*	-0.0216	-0.0504*
	(-0.70)	(-1.81)	(-0.74)	(-1.76)
OP	-0.0894**	-0.0173	-0.0436	-0.0380
	(-2.03)	(-0.44)	(-1.06)	(-0.89)
BIG8	0.302***	0.248***	0.242***	0.310***
	(7.90)	(7.03)	(6.60)	(8.38)
YEAR	YES	YES	YES	YES
INDUSTRY	YES	YES	YES	YES
CONSTANT	7.447***	7.715***	7.651***	7.634***
	(19.24)	(24.03)	(21.78)	(21.48)
N	725	916	817	824
R^2	0.473	0.471	0.460	0.480
F	16.64	20.55	17.41	18.58
Chow test:(m1-m2)Prob > chi2 = 0.451				
Chow test:(m3-m4)Prob > chi2 = 0.414				

Note: (1) This table reports a channel test based on the economic view. (2) *significance at the 0.1 level, **significance at the 0.5 level, ***significance at the 0.01 level. (3) If management holds company shares after privatisation, firms are put in m1 for comparison with enterprises whose ultimate control belongs to the government. Other privatised firms are put in m2 for comparison with enterprises whose ultimate control belongs to the government. After the Chow test for the interaction term, no significant difference is found between the coefficients for *TREATED*AFTER* in m1 and m2. (4) *BALANCE* is the total number of shares held by the second to fifth shareholders divided by the number of shares held by the largest shareholder. Privatised enterprises are divided into two groups. If the ratio is above the sample average, firms are put in the H-BALANCE group; otherwise, they are put in the L-BALANCE group. After the Chow test for the interaction term, no significant difference is found between the coefficients for *TREATED*AFTER* in m3 and m4.

6.2 A Political View Based Channel Test

Having enjoyed the benefits of innate political connections and the government's protection, SOEs lose the bonus brought by state-owned equity once they are privatised.

Table 8 Channel Test 2

	L-G-SHARES	H-G-SHARES	N-APC	APC
Variable	m1	m2	m3	m4
TREATED	-0.110**	0.0630*	-0.0561	0.0487
	(-2.57)	(1.65)	(-1.49)	(1.01)
AFTER	-0.149***	-0.132***	-0.141***	-0.125***
	(-3.56)	(-3.55)	(-3.54)	(-3.15)
*TREATED*AFTER*	0.226***	0.0799	0.179***	0.0952
	(4.03)	(1.59)	(3.60)	(1.51)
SIZE	0.267***	0.252***	0.266***	0.256***
	(17.36)	(18.10)	(18.93)	(16.24)
LEV	0.0980**	0.117***	0.146***	0.0512
	(2.41)	(4.84)	(5.55)	(1.45)
ROA	0.0968	-0.0380	0.0980	-0.0902
	(0.76)	(-0.36)	(0.91)	(-0.70)
REC	0.317**	0.0567	0.183	0.277*
	(2.33)	(0.48)	(1.57)	(1.90)
INV	-0.400***	-0.393***	-0.340***	-0.484***
	(-3.89)	(-4.28)	(-3.57)	(-4.69)
CRR	-0.00794	-0.00253	-0.00325	-0.00944
	(-0.95)	(-0.34)	(-0.43)	(-1.09)
ROC	-0.0253	-0.0470*	-0.0301	-0.0382
	(-0.85)	(-1.70)	(-1.12)	(-1.23)
OP	-0.0112	-0.0544	-0.0126	-0.0898**
	(-0.27)	(-1.29)	(-0.33)	(-1.98)
BIG8	0.259***	0.312***	0.288***	0.271***
	(7.14)	(8.65)	(8.74)	(6.44)
YEAR	YES	YES	YES	YES
INDUSTRY	YES	YES	YES	YES
CONSTANT	7.535***	7.861***	7.439***	7.920***
	(21.03)	(23.91)	(22.67)	(21.44)
N	837	838	998	664
R^2	0.464	0.486	0.450	0.494
F	18.21	19.90	20.13	16.55
Chow test:(m1-m2)Prob > chi2 = 0.006				
Chow test:(m3-m4)Prob > chi2 = 0.092				

Note: (1) This table reports a channel test based on the political view. (2) *significance at the 0.1 level, **significance at the 0.5 level, ***significance at the 0.01 level. (3) G-SHARES is state-owned share ratio after privatisation. Privatised enterprises are divided into two groups. If a firm's G-SHARE ratio is below the average, they are put into the regression for comparison with enterprises whose ultimate control belongs to the government; the results are reported in m1. The remaining privatised firms are put into another regression for comparison with enterprises whose ultimate control belongs to the government; the results are reported in m2. After the Chow test for the interaction term, the coefficient for *TREATED*AFTE*R in m1 is significantly greater. (4) The privatised enterprises are again divided into two groups. If they have no acquired political connections after privatisation, they are put into m3 for comparison with enterprises whose ultimate control belongs to the government. Privatised firms who have acquired political connections after privatisation are put into m4 for comparison with enterprises whose ultimate control belongs to the government. After the Chow test for the interaction term, we see that the coefficient for *TREATED*AFTER* in m3 is significantly greater.

After privatisation, *ceteris paribus*, enterprises may face the risk of bankruptcy or litigation due to the loss of political connections and protection, which means greater audit risk for auditors. Therefore, we partition all of the completely privatised enterprises into two groups according to the percentage of state-owned shares after reform,[12] put both groups into the DID model, and compare the results with the sample of enterprises whose ultimate control remains with the government to investigate the correlation between the extent of withdrawal of state-owned shares and audit fee adjustment. Compared with enterprises ultimately controlled by the government and those in the pre-event period, auditors only raise fees for privatised enterprises in which state-owned shares represent a smaller proportion after the reform. That means that when state-owned shares are withdrawn more thoroughly, the auditee experiences a greater loss of innate political connections and the auditor significantly raises its fees. This test demonstrates that an auditor raising audit fees is correlated with the auditee's loss of innate political connections to some degree. Last, we partition the fully privatised enterprises into two groups according to whether acquired political connections exist.[13] Then, we put them into the DID model respectively and compare the results. Table 8 shows that compared with enterprises ultimately controlled by the government and those in the pre-event period, auditors significantly raise fees only for completely privatised enterprises that do not have acquired political ties. If an auditor raises its fees because of other factors related to the property rights transfer instead of the auditee's political connections, such results would not be observed. Therefore, this further indicates that after privatisation, the auditee loses the bonus (e.g. lower audit fees) of its innate political connections brought by state-owned equity, but acquired political links can provide some compensation, which is the key implication of this research.

6.3 Privatisation, Audit Effort, and Accounting Information Quality

Finally, we analyse the relationship between privatisation and audit effort as well as accounting information quality. The m1 in Table 9 reports the results regarding privatisation and audit effort. In this test, audit report lag is used to measure audit effort.[14] As we can see, the coefficient for the interaction term *TREATED*AFTER* in m1 is positive but not significant. This means that facing privatisation reform, auditors may not exert more effort but rather increase their fees. Next, m2 is about auditees' accounting information quality, and we use the absolute value of earnings management calculated by the modified Jones model, which is the most popular information quality measurement in the accounting literature, as the proxy (Dechow *et al.*, 2010).[15] In this regression, the coefficient for the interaction term *TREATED*AFTER* is not significant and we do not see an information

[12] The definition of the percentage of state-owned shares is shown in Table 1.
[13] The definition of acquired political connections is shown in Table 1.
[14] The definition of audit effort is shown in Table 1.
[15] The definition of accounting information quality is shown in Table 1.

quality change related to privatisation. These two pieces of evidence can also support our existing hypotheses that increased audit fees after privatisation are due to increased risk premium rather than audit input or information quality improvement, and may be charged to compensate for litigation risk.

Table 9 Privatisation, Audit Effort, and Accounting Information Quality

	(1) A-EFFORT	(2) EM
Variables	m1	m2
TREATED	-0.172	-0.00203
	(-0.08)	(-0.26)
AFTER	-6.227***	0.0149*
	(-2.68)	(1.76)
*TREATED*AFTER*	1.552	0.00587
	(0.55)	(0.58)
SIZE	1.445*	-0.00376
	(1.86)	(-1.35)
LEV	0.620	0.0173***
	(0.55)	(3.37)
ROA	-22.20***	-0.265***
	(-4.30)	(-12.53)
REC	26.58***	-0.0153
	(4.06)	(-0.65)
INV	3.529	0.0426**
	(0.69)	(2.35)
CRR	-0.592	0.00315
	(-1.21)	(1.60)
ROC	-2.182	-0.00289
	(-1.27)	(-0.49)
OP	9.384***	0.0100
	(4.42)	(1.31)
BIG8	0.254	-0.00247
	(0.14)	(-0.36)
YEAR	YES	YES
INDUSTRY	YES	YES
CONSTANT	67.40***	0.124*
	(3.63)	(1.86)
N	1313	1151
R^2	0.121	0.257
F	4.479	9.852

Note: (1) This table reports the OLS regressions for audit effort and accounting information quality. (2) *significance at the 0.1 level, **significance at the 0.5 level, ***significance at the 0.01 level. (3) The coefficients for the interaction term *TREATED*AFTER* are positive but not significant both in m1 and m2. This evidence supports the hypothesis that the increase in fees is due to the increased risk premium rather than increased audit effort for information quality improvement, which is probably to compensate for litigation risk.

VII. Conclusion

We investigate how changes in the political economic system (i.e., privatisation reform) influence auditors, one of the most important market intermediaries, and the internal logic behind this. We find that compared with other enterprises and those in the pre-privatisation period, auditors raise their fees after auditees are privatised. Furthermore, compared with other auditors, larger audit firms are more likely to charge privatised enterprises higher fees. Through channel testing, we find that auditors only raise their fees for privatised enterprises that experience a greater loss of innate political connections and those that have not acquired political connections after privatisation. This, to some extent, indicates a great correlation between higher audit fees and the loss of political connections and guarantees in privatised enterprises.

This research reveals the operating model in an emerging market from the aspect of the utility of political connections. In such emerging markets, both the market and the government act on economic operation and both formal and informal institutions affect the choices and behaviour of various market players, including intermediaries. While this paper provides new empirical evidence for research on political economic systems and the behaviour of micro subjects, it may also contribute in the following ways. Based on the scenario of SOE privatisation and using the DID model, this paper investigates the relationship between changes in ownership and audit fees in a dynamic manner. Compared with literature that merely analyses the correlation between ownership and audit fees, the adoption of the DID model better controls for the systemic difference between enterprises with different types of ownership and better identifies the "clean" effect of ownership. Lastly, this research shows that during the audit pricing process, the auditee's lack of innate political connections can be compensated for by acquired political connections. This finding also provides new empirical evidence for research on the relationship between audit fees and political connections.

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