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EFFECT OF GOOD CORPORATE GOVERNANCE AND LEVERAGE ON RISK MANAGEMENT DISCLOSURE

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Abstract. The purpose of this study was to determine the size of the board of commissioners, the proportion of independent commissioners, audit committees, institutional ownership structure, and leverage affect disclosure of corporate risk management. There is a population of the study, namely 29 issuers in the non-bank financial services sector listed on the Indonesia Stock Exchange (IDX) in 2017-2021. By using a purposive sampling method descriptive statistics and panel data regression test using EViews12. The results of the study show that the size of the board of commissioners, the proportion of independent commissioners, audit committees, institutional ownership structure, and leverage simultaneously influence risk management disclosures. Furthermore, it is partially known that the proportion of independent commissioners, audit committees, and leverage has an effect on risk management disclosure.

Keywords: risk management disclosure; audit committee; institutional ownership structure; leverage

I. INTRODUCTION

The role of financial institutions is as an important element in financial intermediaries that divide from fund owners to productive business sectors. According to the Law of the Republic of Indonesia No.14 of 1967 concerning banking principals states that financial institutions are a forum in the field of financial services, attracting money from the public and distributing it to the public funds. In Indonesia, the Financial Services Authority has issued regulations regarding the implementation of risk management in 2015. PJOK Number 1/PJOK.05/2015 concerning the Application of Risk Management for Non-Bank Financial Services states that non-bank financial services including life companies are required to implement risk management effectively. Disclosure of risk management by the company can provide information to stakeholders in decision making and reduce the existence of asymmetric information and improve the quality of the company's financial statements **[1]**. With the case that emerged at the end of 2019 which occurred as a result of the lack of disclosure and application of risk management. The case occurred in the Jiwasraya Insurance company, where the temporary losses caused by it had reached Rp13.7 trillion. The case began with the default of the customer's JS Saving Plan policy worth Rp12.4 trillion which matured from October to December 2019. The Ministry of SOEs under the leadership of Erick Thohir reported indications of fraud in Jiwasraya to the Attorney General's Office because they saw the details of the company's financial statements which were considered not transparent (cnnindonesia.com).

The case that hit PT Asuransi Jiwasraya was purely due to investment risk, some views that there is a possibility of fraudulent practices or poor corporate governance behind high-risk stock investments. Problems that occur in companies can be overcome by implementing Good Corporate Governance (GCG). Judging from this phenomenon, researchers argue that the implementation of risk management in the non-bank Financial Services sector is still ineffective, so it harms the public a lot because companies have not been able to mitigate possible risks that occur. Therefore, this topic is still very valid for re-research. Researchers use the size of the board of commissioners, the proportion of independent board of commissioners, audit committee, institutional ownership structure, leverage and risk management disclosure as dependent variables. Board of Commissioners as a supervisor in a company. Audit committee as a party that assists the board of commissioners in carrying out supervisory duties and company management. The independent board of commissioners serves as an unaffiliated party with the company so as to maximize supervision and represent the interests of minority shareholders. Institutional ownership structure has a very important role in minimizing agency conflicts that occur between managers and shareholders. While leverage has an influence on the high level of leverage of a company, the wider the risk disclosure carried out by the company because the higher the level of debt of a company will usually be more risky. In relation to risk management disclosure, the application of good corporate governance and effective and efficient leverage needs to be applied to manage the company with the aim of increasing the value of shareholders and accommodating the sharing of interested parties with companies such as creditors, suppliers, business associations, consumers, government and wider companies **[2].**

The purpose of this study is to determine the effectiveness of internal roles in guaranteeing and mitigating

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risks in the world of financial services companies. Research on the size of the board of commissioners, independent board of commissioners, audit committee, institutional ownership structure and leverage on risk management disclosure began many of which were conducted by **[3]** Shows a positive influence between the independent board of commissioners, the size of the board of commissioners, audit committee, and institutional ownership structure with risk management disclosure. But on research **[4]**, **[5]** and **[6]** shows that there is no influence on risk management. While leverage according to **[7]** has a positive insignificant influence on risk management disclosures. Based on the background described above, the formulation of the problem in this study is: (1) Does the size of the board of commissioners affect risk management disclosure? (2) Does the independent board of commissioners influence risk management disclosure? (3) Does the audit committee have any effect on risk management disclosure? (4) Does institutional ownership structure affect risk management disclosure? (5) Does leverage affect risk management disclosure? While the objectives of the study are: (1) To find out whether the size of the board of commissioners affects the disclosure of risk management in non-bank financial services companies in 2017-2021? (2) To find out whether the independent board of commissioners has an influence on risk management disclosure in non-bank financial services companies in 2017-2021? (3) To determine whether the audit committee has an effect on risk management disclosure in non-bank financial services companies in 2017-2021? (4) To determine whether institutional ownership structure affects risk management disclosure in non-bank financial services companies in 2017-2021? (5) To find out whether leverage affects risk management disclosure in non-bank financial services companies in 2017-2021?

Agency theory can be used as a basis for understanding in risk disclosure practices. Managers as agents have more information about the company and are more accurate than stakeholders**[8]**. The main assumption of agency theory is that the goals of the principal and the goals of different agents will conflict because company managers tend to pursue personal goals. This may result in managers focusing on projects and investments that generate high returns in the short term rather than maximizing shareholder welfare through investments in projects that are profitable in the long term. If there is an information asymmetry between the agent and principal, then the decisions taken can have a bad impact and harm various parties. To avoid information asymmetry that occurs, disclosure is needed in the form of the company's annual report. By providing more transparent, relevant and complete company information about the risks faced by the company, stakeholders monitor the running of the company and decide the right actions on the company. Risk management disclosure is one of the important aspects that must be done by the company. With the disclosure of risk management in the annual report, the company has managed the risk **[9]**. Risk management that runs well can provide good benefits for the company, such as the effectiveness of the company running efficiently, risk reporting becomes transparency, and performance can increase. Successful implementation of risk management can encourage disclosure with transparency, thus providing a basis for principals and agents to make informed decisions**[10]**.

Risk Management

Risk management is a strategy used to manage and evaluate all risks that occur in the company, so as to enable the company to avoid things that can harm the community **[11]**. Risk management needs to be implemented so that the occurrence of risks can be identified early and can immediately make decisions to overcome these risks. Strategies that can be taken include transferring risks to other parties, avoiding risks, reducing the adverse effects of a risk, and accommodating some or all of the consequences of certain risks.

Risk Management Disclosure

Risk management disclosure is a disclosure of risks that exist in the company and have been managed by the company. Disclosure made on how a company's actions in controlling risks that will be related in the future **[12]**. Risk management disclosure is one solution to help restore public trust and help control the activities of management so as to minimize fraudulent practices in the company **[13]**. The importance of risk disclosure in companies makes the enactment of rules regarding risk disclosure issued by the authorized regulatory body, namely (Indonesian Institute of Accountants (IAI) contained in PSAK no. 60 (revised 2010). PSAK no.60 explains the classification of risk disclosure that is the cause of the emergence of risk of a company. The disclosure is divided into two, namely quantitative disclosure and qualitative disclosure. Qualitative disclosure explains how risks arise, policy objectives and risk management processes and methods for measuring them. While quantitative disclosure explains the overview of quantitative data against risk at the end of the reporting period **[4]**.

Good Corporate Governance

Corporate governance is the creation of linkages between the board of commissioners, directors, interested parties and shareholders in a company. Corporate governance aims to provide solutions or protection related to agency problems for owners, managers and stakeholders effectively and avoid differences in interests in the company **[14]**. In its implementation, corporate governance involves various parties including owners, supervisors, organizational leaders and other stakeholders. Control from internal and external parties is needed by the company, so that corporate governance can run well **[4]**.

Size of the Board of Commissioners

According to the National Committee for Governance Policy (KNKG) (2019: 17), "The Board of Commissioners is an organ involved in a company that is tasked and responsible for supervising and providing direction to the board of directors to ensure that the company implements Good Corporate Governance (GCG)". The board of commissioners in a company must be free from conflicts of interest, influence, and pressure from other parties in order to make decisions objectively. However, the board of commissioners itself may not participate in operational decision making. Meanwhile,

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the appointment of BUMN commissioners is regulated in Presidential Instruction Number 8 of 2005, namely the appointment of commissioners must go through an accountable and transparent feasibility test with names that are valid through the assessment of the Final Assessment Team.

Independent Board of Commissioners

Financial Services Authority Regulation No.33/PJOK.04/2014 concerning the Board of Directors and Board of Commissioners of Issuers or Public Companies, in article 1 explains that the board of commissioners is a public company tasked with conducting general or special supervision in accordance with the articles of association and providing advice to the board of directors. An independent commissioner is a member of the board of commissioners who comes from outside a public company and meets the requirements as an independent commissioner as referred to in the regulations of the financial services authority. In this case, the board of commissioners consists of two members of the board of commissioners, the number of independent commissioners must be at least 30% of the total number of members of the board of commissioners**.** Independent commissioners have the aim of balancing decisions at certain meetings of the company, especially in the context of protecting minority shareholders and other related parties **[15]**.

Audit Committee

According to **[16]** The Audit Committee is a committee formed by the Board of Commissioners with the hope that it can help achieve audit objectives within the company because the Board of Commissioners needs an Audit Committee in the Company's risk disclosure practices. The audit committee has the authority to carry out and authorize investigations into matters within the scope of its responsibilities. The committee is also a tool by which companies can avoid fraud in financial reporting and monitor management performance **[9]**.

Institutional Ownership Structure

Institutional ownership is the ownership of company shares owned by institutions or institutions that function to reduce agency costs. The ownership structure acts as a supervisor to improve the quality of annual financial statements. This can help ease the work of the board of directors to protect the interests of shareholders as done by an independent board of commissioners **[17]**. Institutional ownership makes supervision higher because it can carry out monitoring functions in the company that are effective for company management in decision making **[18]**.

Leverage

Leverage is an indicator of a company's ability to meet long-term obligations as shown by a comparison of debt to assets. According to [19] A high level of leverage illustrates that the company has a capital structure with a debt amount greater than the amount of equity, thus creating high financial risks and going concerns of the company. The higher the debt ratio, the smaller the company's capital is used as debt collateral, and vice versa. **[20][21]**. Agency theory predicts that firms with higher leverage ratios will disclose more information, because agency costs of firms with such capital structures are higher (Jensen & Meckling, 1976) in [13].

Previous Research

First **[22]** Shows the results that independent variables such as solvency, liquidity, independent board of commissioners, and the existence of a risk management committee can affect risk management disclosure simultaneously. Meanwhile, from the partial test results, it can be shown that solvency, the existence of a risk management committee, and an independent board of commissioners have a positive influence, but liquidity has no influence on risk management disclosure. Second, according to **[23]** The results show that simultaneously leverage, profitability and size of public companies influence risk management disclosure. Partially, the size of the company, has a significant positive effect on risk management disclosure. Meanwhile, leverage and profitability have no effect on risk management disclosure. Third **[24]**Judging from the different situations across corporate policies from the banking and financial services sector, on corporate governance, the characteristics of the board. and sustainable development with implications on the financial performance of risk management funds. Fourth **[25]** The study has implications for government and policy makers, companies, the business community, and other stakeholders in terms of creating a conducive business environment in Nigeria through infrastructure provision, effective corporate governance mechanisms, sound stakeholder management. Fifth **[26]** There is an influence of the number of assets on risk management disclosure. The number of members of the sharia supervisory board, the ratio of debt to shirkah funds, the number of independent commissioners, the number of audit committees, have no effect on risk management disclosure. Sixth **[27]** The conclusion of this study is that there is no significant positive influence of corporate governance mechanisms and capital structure on risk management disclosure. A company size of 27 has a significant positive effect on risk management disclosure. Larger companies will make better risk management disclosures. Seventh **[12]** The results showed that the variables of company size, concentration of ownership, auditor reputation, and risk management committee simultaneously had a significant effect on the disclosure of enterprise risk management. Partially, the variable company size has a significant positive effect and the concentration of ownership has a significant negative effect on enterprise risk management disclosure. Meanwhile, the reputation of the auditor and risk management committee does not affect the disclosure of enterprise risk management.

The Effect of the Size of the Board of Commissioners on Risk Management Disclosure

Agency theory explains that one of the effective corporate governance mechanisms can be determined by the number of meetings of the board of commissioners, meaning that the number of meetings of the board of commissioners can have an influence in monitoring capacity, provide effective information and can encourage companies early to identify risks and will have an impact on increasing breadth in risk management disclosure, this is explained by **[28]**. In this study, researchers predict that the board of commissioners has a positive effect on risk management disclosure in line with research conducted by **[29]** who argue that the Board of Commissioners has a positive effect on risk management disclosure.

H1: The Board of Commissioners has a significant effect on risk management disclosure.

The Influence of the Independent Board of Commissioners on Risk Management Disclosure

An independent board of commissioners is a member that does not have financial, managerial, shareholding, and family relationships with commissioners, directors, controlling shareholders, and other relationships that may affect its ability to act independently. The Independent Board of Commissioners may influence risk management disclosures. The greater the number of independent board of commissioners in the company, the higher the level of risk disclosure of the company. In this study, researchers predict that the independent Board of Commissioners has a positive effect on risk management disclosure in line with the research conducted **[30]** who argue that the Independent Board of Commissioners has a positive effect on risk management disclosure.

H2: The Board of Independent Commissioners has a significant effect on risk management disclosure

The Effect of the Audit Committee on Risk Management Disclosure

Indonesia Stock Exchange (IDX) regulations state that the position of the audit committee is under the board of commissioners, if there are several members of the audit committee from independent commissioners, one of the independent board of commissioners will become the chairman of the audit committee. Often the board of commissioners delegates the responsibility for supervision and risk management to its subordinates. To oversee and manage risk, the board of commissioners needs support from supervisory mechanisms within the organization, one of which includes the audit committee. An audit committee will be effective if it is independent.In this study, researchers predict that the audit committee has a positive effect on risk management disclosure in line with research conducted by **[31]** which argues that the Audit Committee has a positive effect on risk management disclosure.

H3: The Audit Committee has a significant effect on risk management disclosure.

The Effect of Institutional Ownership Structure on Risk Management Disclosure

According to **[17]** Revealing that companies with more institutional ownership make broader risk disclosures. This is in accordance with stakeholder theory stating that one of the ways used to meet stakeholder interests is to disclose wider information including risk disclosure. Based on research conducted by **[32]** There is a significant influence over ownership structure on risk management disclosures which states that larger audit firms will provide assurance to shareholders so as to reduce agency costs.

H4: Institutional Ownership Structure Influences risk management disclosure.

Effects of Leverage on Risk Management Disclosure

According to **[19]** A high level of leverage illustrates that a company has a capital structure with a larger amount of debt than equity, thus it can pose a high financial risk to the company. When the company has a high level of leverage means that the level of uncertainty of the return to be obtained will be higher as well, but at the same time it will also increase the amount of return to be obtained. In this study, researchers argue that leverage has a positive effect on risk management disclosure. This is shown in research conducted by **[33], [19]** and **[7]** which shows that leverage positively affects risk management disclosure.

H5: Leverage affects risk management disclosure.

II. RESEARCH METHODS

This research is a study that identifies cause-and-effect relationships between model-forming variables using a qualitative approach. Because this study is included in the purpose of descriptive research because it has the aim of explaining the variables of the board of commissioners, the proportion of independent board of commissioners, audit committee, institutional ownership and leverage. This type of research investigation is an association because this study has the objective of capturing the relationship of two or more variables **[34]**. This study aims to explain whether risk management disclosures can be influenced by management ownership, public ownership and independent audit committees. This study used panel data based on the time of implementation. Panel data is a combination of time series data, which uses data from a certain interval and cross section, which is data used as a collection of data at one time. The unit of analysis used in this study is a group consisting of banking companies listed on the Indonesia Stock Exchange. Based on the time of implementation, this study uses the panel data method which means a combination of cross section data (more than 1 company) and time series (more than 1 year). This research uses non-bank financial services companies with the period 2017-2021.

According to **[34]** Samples are members of the population who are selected to be involved in research, either to be observed, treated or asked for opinions about the research being conducted. The sample technique used in this study is purposive sampling, which is a sampling technique with certain considerations. The sample selected in this study is companies listed on the Indonesia Stock Exchange (IDX) for the 2017-2021 period to be used as the research period. The data collection technique used in this study used the method of conducting library studies. The secondary data used by researchers in this study are annual reports and risk management reports that have been listed on the Indonesia Stock Exchange for the 2017-202 period, previous research that supports this research in the form of scientific journals, theses and articles and books supporting this research.

III. RESULTS AND DISCUSSION

Based on the results of descriptive statistical analysis in the table, it can be seen that the disclosure of risk management in non-bank financial services companies listed on the Indonesia Stock Exchange (IDX) in 2017-2021 has a mean value of 0.757 which is greater than the standard deviation, which is 0.108, that this risk management disclosure data is homogeneous. It has a minimum value of 0.640 and a maximum value of 1.080. Based on the results of descriptive data, the size of the board of commissioners measured by the total number of the board of commissioners has a mean value of 3.793 which is greater than the standard deviation value of 1.363, explaining that the size data of the board of commissioners is homogeneous. The maximum value is 7,000 and the minimum value is 2,000. Based on the results of descriptive data of the independent board of commissioners by comparing the number of independent board of commissioners with the total number of board of commissioners has a mean value of 0.467 which is greater than the standard deviation value of 0.122, it explains that the data on the proportion of the board of commissioners is homogeneous. The maximum value is 0.750 and the minimum value is 0.250. Based on the results of descriptive audit committee data, measured by the number of audit committees has a mean value of 3.110 which is greater than the standard deviation value of 0.473, explaining that the audit committee data is homogeneous. The maximum value is 5,000 and the minimum value is 2,000. Based on the results of descriptive data, institutional ownership measured by looking at the number of shares owned by institutions has a mean value of 0.704 which is greater than the standard deviation value of 0.219, explaining that this institutional ownership data. The maximum value is 1.138 and the minimum value is 0.004. Based on the results of descriptive leverage, leverage measured using debt to total asset ratio (DAR) has a mean value of 0.521 which is greater than the standard deviation value of 0.254, explaining that this leverage data is homogeneous. The maximum value is 0.872 and the minimum value is 0.003.

Regression Model Selection

Redundant Fixed Effects Tests
Equation: Untitled
Test cross-section fixed effects

Effects Test	Statistic	d.f.	Prob.
Cross-section F	36.675138	(28,111)	0.0508
Cross-section Chi-square	337.474874	28	0.0632

Based on the results of the chow test, the probability value of the chi-square cross section is 0.0632 which means that H0 decision making is accepted or this study is better using the common effect model than the fixed effect model because it is more than the significant level of 0.05. Furthermore, testing was carried out between fixed effect models or random effect models using the hausman test.

Correlated Random Effects - Hausman Test
Equation: Untitled
Test cross-section random effects

Test Summary	Chi-Sq. Statistic	Chi-Sq. d.f.	Prob.
Cross-section random	8.226513	5	0.1442

Based on the results of the Hausman test in the figure, it can be known that the probability value of cross section of 0.1442 is greater than 0.05 so that it can be concluded that the best model is the Random Effect Model (REM).

Uji Lagrange

Lagrange multiplier (LM) test for panel data
Date: 06/30/23 Time: 20:06
Sample: 2017 2021
Total panel observations: 145
Probability in ()

Null (no rand. effect) Alternative	Cross-section One-sided	Period One-sided	Both
Breusch-Pagan	193.6361 (0.0642)	2.245349 (0.1340)	195.8815 (0.0598)

Based on the results of the lagrange multiplier test, the value of the one-sided cross-section is 0.0642 which means that H0 is accepted or this study is better using the common effect model than the random effect model, because the probability value is more than 0.05. After three kinds of chow tests, hausman test and lagrange multiplier test, thus showing that the best method used is the common effect model.

Classical Assumption Test

The classical assumption test is a prerequisite for panel data regression analysis. Before testing the hypothesis proposed in the study, it is necessary to test classical assumptions.

	X1	X2	X3	X4	X5
X1	1.000000	-0.308240	0.035630	0.159425	0.319103
X2	-0.308240	1.000000	-0.196699	-0.187249	-0.167262
X3	0.035630	-0.196699	1.000000	0.100552	0.135123
X4	0.159425	-0.187249	0.100552	1.000000	0.406097
X5	0.319103	-0.167262	0.135123	0.406097	1.000000

The results of the figure show that the results of the analysis of the size of the board of commissioners, the proportion of independent board of commissioners, audit committee, institutional ownership structure, and leverage show a correlation value tested < 0.8, it can be concluded in this study that multicollinearity does not occur.

Heteroskedasticity Test: White

F-statistic	2.172133	Prob. F(20,124)	0.0652
Obs*R-squared	37.61996	Prob. Chi-Square(20)	0.0599
Scaled explained SS	34.29218	Prob. Chi-Square(20)	0.0942

The results of the figure show that the results of the analysis of the size of the board of commissioners, the proportion of independent board of commissioners, audit committee, institutional ownership structure, and leverage have a value of > 0.05, meaning that in this study heteroscedasticity does not occur.

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Test the hypothesis

R-squared	0.229211	Mean dependent var	0.757241
Adjusted R-squared	0.201484	S.D. dependent var	0.108490
S.E. of regression	0.096946	Akaike info criterion	-1.788816
Sum squared resid	1.306408	Schwarz criterion	-1.665641
Log likelihood	135.6892	Hannan-Quinn criter.	-1.738766
F-statistic	8.266918	Durbin-Watson stat	0.218183
Prob(F-statistic)	0.000001		

In the results of the Coefficient of Determination (R2) Test Results, it can be known that the Adjusted R-Square in this research model is 0.201 or 20%. Thus, it can be concluded that the variables of the size of the board of commissioners, the proportion of the independent board of commissioners, audit committee, institutional ownership structure, and leverage are able to explain the dependent variable, namely Risk Management Disclosure in non-bank financial services sector companies listed on the Indonesia Stock Exchange (IDX) in 2017-2021 of 0.201 or 20%.

S.E. of regression	0.096946	Akaike info criterion	-1.788816
Sum squared resid	1.306408	Schwarz criterion	-1.665641
Log likelihood	135.6892	Hannan-Quinn criter.	-1.738766
F-statistic	8.266918	Durbin-Watson stat	0.218183
Prob(F-statistic)	0.000001		

The results of the Simultaneous Significance Test (Test F) can be seen that the prob value (F-Statistic) is 0.000001 < 0.05 and then H0 is rejected and it can be interpreted that the variables of the size of the board of commissioners, the proportion of the independent board of commissioners, audit committee, institutional ownership structure, and leverage simultaneously have a significant effect on Risk Management Disclosure in the non-bank financial services sector listed on the Indonesia Stock Exchange (IDX) in 2017-2021.

Dependent Variable: Y
Method: Panel Least Squares
Date: 07/01/23 Time: 17:48
Sample: 2017 2021
Periods included: 5
Cross-sections included: 29
Total panel (balanced) observations: 145

Variable	Coefficient	Std. Error	t-Statistic	Prob.
X1	0.007130	0.006509	1.095469	0.2752
X2	-0.310209	0.071467	-4.340572	0.0000
X3	0.040152	0.017552	2.287627	0.0237
X4	-0.079391	0.040690	-1.951128	0.0531
X5	-0.095158	0.036456	-2.610235	0.0100
C	0.856097	0.080811	10.59380	0.0000

The probability value (t-statistic) The size of the board of commissioners is 0.2752 The value shows that 0.2752 > 0.05 with a coefficient of 0.007130. Then it can be concluded that H01 is rejected and Ha1 is accepted. The results of this study state that the size of the board of commissioners has no effect on Risk Management Disclosure. The probability value (t-statistic) of the proportion of independent board of commissioners is 0.0000 The value shows that 0.0000 < 0.05 with a coefficient of -0.310209. Then it can be concluded that H01 is accepted and Ha1 is rejected. The results of this study state that the proportion of independent board of commissioners has an influence on Risk Management Disclosure. The probability value (t-statistic) of the audit committee is 0.0237, the value shows that 0.0237 < 0.05 with a coefficient of 0.040152. Then it can be concluded that H01 is accepted and Ha1 is rejected. The results of this study state that the audit committee has an effect on Risk Management Disclosure. The probability value (t-statistic) of institutional ownership of 0.0531 indicates that 0.0531 > 0.05 with a coefficient of -0.079391. Then it can be concluded that H01 is rejected and Ha1 is accepted. The results of this study state that institutional ownership has no effect on Risk Management Disclosure. The probability value (t-statistic) of leverage of 0.0100 indicates that 0.0100 < 0.05 with a coefficient of 0.007130. Then it can be concluded that H01 is accepted and Ha1 is rejected. The results of this study state that leverage affects Risk Management Disclosure.

Influence of the Board of Commissioners on Risk Management Disclosure

The partial test results stated that the size of the Board of Commissioners has a regression coefficient value of 0.007130, meaning that the size of the Board of Commissioners has a positive direction towards risk management disclosure. However, the size of the board of commissioners has a probability value of 0.2752 that the value is greater than 0.05, meaning that H0 is accepted, while Ha is rejected or the size of the board of commissioners partially has no influence on risk management disclosure. The following explains the relationship between the size of the board of commissioners to risk management disclosure as follows: It shows that there are conservation data as many as 145 sample units but the size of the Board of Commissioners is above the average and the dominance of risk management disclosure is 47 samples or if the percentage is 59%, while the size of the Board of Commissioners is below the average dominated by risk management disclosure below the average as many as 34 samples or equivalent to 52%. Therefore, the data shows that there is no relationship between the size of the board of commissioners and risk management disclosure. Things like this can cause the size of the board of commissioners to have no influence on risk management disclosure. This is in line with research conducted by **[35].**

The Influence of the Independent Board of Commissioners on Risk Management Disclosure

The partial test results stated that the proportion of the Board of Commissioners has a regression coefficient value of -0.310209, meaning that it shows that the proportion of the Board of Commissioners has a negative direction towards risk management disclosure. However, the proportion of the board of commissioners has a probability value of 0.0000 that the value is less than 0.05, meaning that H0 is rejected while Ha is accepted or the proportion of the board of commissioners partially has an influence on risk management disclosure. The following explains the relationship between the proportion of the board of commissioners to risk management disclosure as follows: Shows that there are conservation data as many as

145 sample units but the proportion of independent board of commissioners is above average and dominated by risk management disclosure below average as many as 53 samples or if the percentage is 68%, while the independent board of commissioners below average is dominated by risk management disclosure above average as many as 35 samples or equivalent to 52%. Therefore, the data shows that there is a relationship between the independent board of commissioners and risk management disclosures. . This is in line with research conducted by **[30]** State that the proportion of the Independent Board of Commissioners has an influence on risk management disclosure.

The Effect of the Audit Committee on Risk Management Disclosure

The partial test results stated that the Audit Committee has a regression coefficient value of 0.040152, meaning that it shows that the Audit Committee has a positive direction towards risk management disclosure. But the audit committee has a probability value of 0.0237 that the value is less than 0.05, meaning that H0 is rejected while Ha is accepted or the audit committee partially has an influence on risk management disclosure. The following explains the relationship of the audit committee to risk management disclosure as follows: shows that there are conservation data as many as 145 sample units but the audit committee is above average and dominated by risk management disclosure above the average as many as 9 samples or if the percentage is 14%, while the audit committee below average is dominated by risk management disclosure below average as many as 72 samples or equivalent to 92%. So the data shows that there is a relationship between the audit committee and risk management disclosure. This is in line with research conducted by **[11], [36]** State that the Audit Committee has an effect on risk management disclosure.

The Effect of Institutional Ownership on Risk Management Disclosure

The partial test results show that institutional ownership has a regression coefficient value of -0.079391, meaning that institutional ownership has a negative direction towards risk management disclosure. But institutional ownership has a probability value of 0.0531 that the value is greater than 0.05, meaning that H0 is accepted, while Ha is rejected or institutional ownership partially has no influence on risk management disclosure. The following explains the relationship of institutional ownership to risk management disclosures as follows: shows that there are conservation data as many as 145 sample units but institutional ownership is above average and dominated by risk management disclosure below average as many as 57 samples or if the percentage is 65%, while institutional ownership below average is dominated by risk management disclosure below average as many as 30 samples or equivalent to 35%. Therefore, the data shows that there is no relationship between institutional ownership and risk management disclosure. It is this kind of thing that can cause institutional ownership to have no influence on risk management disclosure. This is in line with research conducted by **[29]** states that institutional ownership has no effect on risk management disclosure.

Effects of Leverage on Risk Management Disclosure

The partial test results stated that leverage has a regression coefficient value of -0.095158, meaning that it shows that leverage has a negative direction towards risk management disclosure. But leverage has a probability value of 0.0100 that the value is less than 0.05 meaning that H0 is rejected while Ha is accepted or leverage partially has an influence on risk management disclosure. The following explains the relationship of leverage to risk management disclosure as follows: shows that there are conservation data of 145 sample units but leverage is above average and risk management disclosure is dominated by the average of 56 samples or if the percentage is 72%, while leverage below average is dominated by risk management disclosure above the average of 32 samples or equivalent to 48%. Therefore, the data shows that there is a relationship between leverage and risk management disclosure. This can lead to leverage having an influence on risk management disclosures. This is in line with research conducted by [37]states that leverage has no effect on risk management disclosure.

IV. CONCLUSION

The results of this study show that the independent variables of the size of the board of commissioners, the proportion of the independent board of commissioners, audit committee, institutional ownership, and leverage simultaneously affect the dependent variable of risk management disclosure in non-bank financial services sector companies listed on the IDX in 2017-2021. Based on partial hypothesis testing, it shows that the independent board of commissioners, audit committee and leverage have influence on risk management disclosure, while the board of commissioners and institutional ownership have no influence on risk management disclosure. Further research is expected to provide maximum and higher quality results by considering the suggestions below: For company management, it is expected that the company's board of directors and managers can carry out management functions as they should, one of which is in risk management disclosure so that operational implementation remains on the right track so as to meet stakeholder expectations. For investors, in deciding to invest, investors should consider the audit committee owned by the company. Companies that have high audit committees tend to have broader risk management disclosures. Researchers are further advised to use other objects in companies listed on the Indonesia Stock Exchange, such as companies in the Manufacturing sector and the Service sector. It is recommended for further researchers to use other variables such as company size, company age, non-performing loan, loan to deposit ratio and so on.

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