AFRE Accounting and Financial Review, 6(3): 351-361, 2023
https://jurnal.unmer.ac.id/index.php/afr

The Role of Commissioners and Audit Committee to Firm Value Mediated by Risk Management Disclosures

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Article info

Keywords:
Audit committee, Board of commissioners size, Enterprise risk management disclosure, and Firm value

Abtract

This research originated from the phenomenon of competition that occurred between public companies listed on the Indonesia Stock Exchange (IDX). The intense competition that occurred encouraged each company to be adaptive to changes in the economic situation that often changed. 56 samples of Indonesian public companies were selected based on their presence on the IDX, which operates in the property and real estate sector in 2019-2021. The background for choosing this sector is because the property and real estate sector experienced a contraction in stock prices during 2021 to 2023. This research uses 56 companies as samples and a 3-year observation period, resulting in 168 data that became the source of data for this study. This study obtained results that the size of the board of commissioners and audit committee partially influenced the risk management information disclosed by the company. Positive results were obtained for the size of the board of commissioners and risk management disclosure partially affecting firm value. The presence of risk management disclosure was able to mediate the indirect relationship between the board of commissioners and firm value. Meanwhile, the audit committee does not affect the firm value either directly or indirectly.

ISSN (print): 2598-7763
ISSN (online): 2598-7771

Citation: Prakasa, Agris Haryanto. Ramadhan, Yanuar. (2023). The Role of Commissioners and Audit Committee to Firm Value Mediated by Risk Management Disclosures. AFRE Accounting and Financial Review, 6(3): 351-361

Abstrak

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JEL Classification:
DOI: https://doi.org/10.26905/afr.v6i3.10506

1. Introduction

The optimal achievement of a company's value that is capable of generating profits for the company's shareholders can be achieved by implementing good corporate governance (Putri et al., 2018; Jemunu et al., 2021; and Usry et al., 2022). This is in line with the statement by Savitri et al. (2022) that good corporate governance (GCG) becomes an internal control mechanism within the company's management structure that aims to protect the company's assets and increase the prosperity of the owners through a continuous increase in stock prices. The mechanism of corporate governance consists at least of a board of commissioners, directors, audit committee, other committees supporting the functions of commissioners/directors, corporate secretary, internal audit, internal control system, and risk management (Capital Market and Financial Institution Supervisory Agency, 2012). The presence of a board of commissioners has duties that include supervising the board of directors in running the company, with such supervision the company has added value that affects the value of the company (Prasetyaningsih & Purwaningsih, 2023). The presence of an audit committee as an extension of the supervisory function of the board of commissioners can help companies in implementing effective control for problems that have the potential to reduce or harm the value of the company (Sajida & Purwanto, 2021).

This study chose property and real estate sector companies listed on the Indonesia Stock Exchange as research objects. Although until May 2023 the application of risk management for property and real estate companies is still voluntary, the implementation and disclosure of risk management is still very much needed. The need for the application of risk management for one of the companies engaged in the property and real estate sector includes planning for mitigation and management of financial risks, project risks, legal/ compliance risks, strategic risks, and operational risks (Annual Report of PT Bumi Serpong Damai Tbk, 2021). The application of risk management for property and real estate sector companies is very much needed, since 2020 until 2022 it has been recorded that three property and real estate sector companies have been declared bankrupt. The three companies that were declared bankrupt include PT Forza Land Indonesia Tbk which was declared bankrupt on September 12, 2022, PT Hanson International Tbk which was declared bankrupt on June 8, 2021, and PT Cowell Development Tbk which was declared bankrupt on July 6, 2020 (Detik Finance, 2022).

The intervening variable used in this study is the disclosure of risk management, and the reason for using this variable as a mediating variable is because the disclosure of risk management is a process of identification, assessment, and control for financial, legal, strategic risks aimed at securing the company's capital ownership and securing the company's profits (Muteswa, 2022). Based on the principles of risk management explained in the ISO 31000 (2018) guidelines, it states that the purpose of risk management is to create and protect the value of a company. There are several studies that use the disclosure of risk management as an intervening variable, including research conducted by Jamaluddin et al. (2020) with empirical evidence that the disclosure of risk management can mediate the relationship between institutional ownership, managerial ownership, audit committee, and independent commissioners partially to the firm value. Research by Pudjianti & Ghozali (2021) proves that the influence of audit meetings and audit committee size partially on social respon-sibility disclosure can be mediated by risk mana-gement disclosure. The indirect influence of the board of commissioners with the value of the company in this study refers to research by Febrianti & Uswati Dewi (2019) with results that the board of commissioners influences the value of the company, as well as research by Tarantika & Solikhah (2019) which proves that risk management disclosure affects the value of the company.

In Indonesia, the application of risk ma-nagement is written in Statement of Financial Ac-counting Standards No.60 (revised 2013) which requires the disclosure of risk information reported by companies in their financial statements (IAI, 2013). Mandatory disclosure that regulates reporting and implementation of risk for banking sector companies has been regulated through POJK No.18/POJK.03/2016 concerning the application of risk management for commercial banks, as well POJK No.1/POJK.05/2015 concerning the application of risk management for non-bank financial services institutions. The mandatory implemen-tation of risk management within the scope of state-owned enterprises has been regulated through PER-5/MBU/09/2022 concerning the application of risk management in State-Owned Enterprises. The issuance of regulations regarding the obligation to apply risk management in Indonesia for banking sector companies, non-bank financial services sector companies, and state-owned enterprises further proves the importance of imple-menting risk management for a company. The purpose of this study is to prove that the application of risk management for property and real estate sector companies is very important for achieving firm value.

Various studies have been conducted to test the pattern of the relationship between the size of the board of commissioners and the value of the company, Usry et al. (2022); Kusuma & Nuswantara (2021) have explained that there is a positive influence. However, different results were obtained by Mangoting et al. (2020); Ing Malelak et al. (2020) who explained that there was no influence on the relationship between the board of commissioners and the value of the company. Other research that explains the influencing factors on the value of the company is the relationship between the audit committee and the value of the company, Sajida & Purwanto (2021) concluded that the audit committee has no influences. Different results were obtained by Burhanuddin et al. (2020); Sibarani & Lusmeida (2021) who provided empirical evidence that the audit committee had a positive effect on the value of the company. Other research that explains the influencing factors on the value of the company is the relationship between risk management disclosure and firm value, Jamaluddin et al. (2020); Sajida & Purwanto (2021) explained that there was a significant positive influence, but different results were obtained by Pahlevi & Muslih (2020) and Ardianto & Rivandi (2018) who explained that there was no influence between risk management disclosure and firm value.

The testing of the pattern of the relationship between the board of commissioners and the disclosure of risk management has been carried out by several previous studies. Abbas et al. (2021); Wijayanti et al. (2022) concluded that there was no relationship between the board of commissioners and the risk management information disclosed by the company, while Fitriani & Setyawan (2022) provided different results by explaining that the board of commissioners had a positive influence on risk management. Differences in results also occurred in providing empirical evidence of the pattern of relationships between the audit com-mittee and risk management disclosure. Wijayanti et al. (2022) produced research that the audit committee had a positive influence on the risk management information disclosed by the company, but Falendro et al. (2018) had different results explaining that there was no influence between the two variables.

Based on the phenomenon that occurs regarding the value of the company and the importance of implementing company risk management in the property and real estate sector, as well as the existence of previous research that produces different research results, the researcher proposes research with the title of the role of commissioners and audit committee to firm value mediated by risk management disclosures. The purpose of this study is to provide empirical evidence of direct and indirect influence from the board of commissioners, audit committee, and risk management on firm value.

2. Hyphotesis Development

The board of commissioners has an important role in good corporate governance. Supervision, assessment, and effective implementation of risk management are the responsibility of the board of commissioners (Gunawan & Zakiyah, 2018). The presence of a board of commissioners has tasks that include supervising the board of directors in running the company, with such supervision the company has added value that affects the value of the company (Prasetyaningsih & Purwaningsih, 2023).

Based on agency theory, company management tries to meet the information needs of stakeholders by running an effective company risk management program (Oktavia & Isbanah, 2019). A larger number of board members have the opportunity for information and expertise exchange between fellow board members and with the board of directors, making it easier to supervise company risk management (Fitriani & Setyawan, 2022).

Research conducted by Fitriani & Setyawan (2022) and Tarantika & Solikhah (2019) proves that there is a positive influence on the presence of the size of the board of commissioners on risk management.

H_1: Size of the board of commissioners affects on risk management disclosure

The audit committee is part of the company's internal party formed and appointed by the board of commissioners whose main task is to provide their expertise to the company's board of commissioners in assisting in carrying out the functions and duties of the board of commissioners. The success of the audit committee in providing their expertise to the board of commissioners in supervising corporate activities is influenced based on the quality and quantity of the audit committee. Wahyuni et al. (2020) explains that if there are more total members of the audit committee in a company, it can affect the extent of risk management information conveyed by the company through annual reports.

According to agency theory, there are two parties interested in a company, namely principals and management, management functions as a party assigned based on a contract to manage a company organization (Jensen & Meckling, 1976). The presence of an audit committee as part of a corporate supervision and control system can reduce the risk of fraud that occurs in corporate governance so that the existence of an audit committee provides protection for the interests of company principals (Jamaluddin et al., 2020).

Research by Fitriani & Setyawan (2022) and Wahyuni et al. (2020) explains that the audit committee is able to positively influence risk management disclosure.

H_2: Audit committee affects on risk management disclosure

One of the supporting aspects of the effectiveness of a company's internal control is influenced by the board of commissioners who are tasked with ensuring that the implementation of corporate governance runs optimally (Usry et al., 2022). The board of commissioners as a company supervisory board has the ultimate responsibility function in carrying out supervision of strategic and operational corporate activities, including ensuring that the risk management system mechanism has been running well, effectively and efficiently (Fitriani & Setyawan, 2022).

The importance of the role and supervision carried out by the board of commissioners is supported by the results of research by Usry et al. (2022) that periodic analysis capabilities from the board of commissioners are needed by companies to continue the sustainability of the company, mitigate risks, and be responsible to stakeholders for losses caused by negligence from the board of commissioners. Referring to stakeholder theory which explains that companies carry out their operational activities not only for the interests of one party but must be sensitive to the interests of other parties and be able to provide benefits for stakeholders or stakeholders (Tarantika & Solikhah, 2019).

There have been previous studies conducted by Ahmad et al. (2020) and Sari et al. (2019) obtained results that the size of the board of commissioners has a positive influence on firm value.

H_3: Size of the board of commissioners affects on firm value.

The audit committee is responsible for carrying out the functions and duties of the board of commissioners in reviewing the results of financial report work, in addition, the audit committee is assigned to be able to contribute to its expertise in providing opinions to the board of commissioners or other matters conveyed by the directors (Fitriani & Setyawan, 2022). Falendro et al. (2018) explains in his research that the supervisory role of the audit committee can improve the effectiveness of board of commissioners monitoring in carrying out supervision and control of company organizations.

The audit committee as an extension of the functions and duties of commissioners has an obligation to review company information conveyed through company financial statements (Pahlevi & Muslih, 2020). Signalling theory explains the involvement of information roles in encouraging companies to provide information to external parties, news output shared with the public includes financial and non-financial information aimed at sending information signals to investors (Jamaluddin et al., 2020). Research by Jamaluddin et al. (2020); Burhanuddin et al. (2020); Alzeban (2020); and Fariha et al. (2022) produced research results that showed that a positive influence could occur in the relationship between the audit committee and firm value.

H_4: Audit committee affects on firm value.

Risk management is an effort to manage activities carried out by organizational or company management to coordinate in directing and controlling organizations related to risk (Arta et al., 2021). Wijayanti et al. (2022) explain that company risk management is a structured process for identifying and analyzing risks through disciplines applied to organizations.

Companies with poor risk management practices tend to have low risk mitigation expertise so they cannot maximize opportunities for increasing firm value (Lam, 2007). Signalling theory provides an explanation of the encouragement for companies to provide information to external parties, information shared with the public includes financial and non-financial information that can provide information signals to investors (Jamaluddin et al., 2020). Research by Abdullah et al. (2015); Harun et al. (2020); Jamaluddin et al. (2020); Faisal et al. (2021); Sajida & Purwanto (2021) and (Kalina et al., 2022) explains that risk management disclosure can positively influence the relationship with firm value.

H_5: Risk management disclosure affects on firm value

Well-managed company risks can create opportunities for companies, therefore the board of commissioners as a party mandated to supervise companies can make decisions regarding the appointment of special committees that can manage risks periodically (Falendro et al., 2018). The risk management information disclosed by the company includes the process of identification, assessment, and control process for financial, legal, strategic risks aimed at securing the company’s capital ownership and securing company profits (Kalina et al., 2022; and Muteswa, 2022). Based on the risk management principles explained in the ISO 31000 Guidelines (2018), it states that the purpose of risk management is to create and protect the value of a company.

Tarantika & Solikhah (2019) said that the implementation of company risk management is one of the stakeholders’ access to communicate with management. The relationship between risk management as a tool for stakeholder communication with management is in line with stakeholder theory which explains that companies carry out their operational activities not only for the interests of one party but must pay attention to interests and have a positive impact on stakeholders or stakeholders (Freeman, 1984).

H_6: Size of the board of commissioners affects on firm value through risk management disclosure.

The audit committee has the duty and function of providing its expertise to the board of commissioners in controlling company performance, the audit committee as a party appointed by the board of commissioners is required to have special expertise as an effort for them to manage company risks (Sibarani & Lusmeida, 2021). The presence of an audit committee as a control system for preparing corporate financial statements can reduce the potential for fraud in managing company risks (Fitriani & Setyawan, 2022). Good risk management through the audit committee mechanism is expected to increase the effectiveness of supervision which has an impact on increasing firm value (Wahyuni et al., 2020).

Financial and non-financial information generated by company management is part of an indicator for the health of company performance (Jamaluddin et al., 2020). Pahlevi & Muslih (2020) state that the audit committee has an obligation to review information contained in financial statements. The function of the audit committee is then in accordance with signal theory in accounting and auditing disciplines as a potential management signal about company information disseminated through financial information disclosure to investors (Novriansa & Rahmawati, 2019).

H_7: Audit committee affects on firm value through risk management disclosure.

3. Data and Methods

The data used in this study is secondary data used as research objects. The selection of the research population was obtained from 82 companies engaged in the Property & Real Estate industry and listed on the IDX in 2019-2021. The sample was determined based on purposive sampling techniques, resulting in a sample of 56 companies with 168 research data for 3 years. There are four variables selected for study, consisting of the size of the board of commissioners and audit committee as independent variables; firm value as a dependent variable; and risk management disclosure as intervening. These four variables are then processed using data analysis methods with Eviews-10 statistical software. Data processing is carried out by dividing it into three parts: descriptive statistical analysis, classical assumption test, hypothesis test which includes determination coefficient test, t-test, and path analysis. The regression analysis used in this study is path analysis. Path analysis is used to analyze regression in estimating the causality relationship between predetermined variables (Ghozali, 2017; and Chandrarin, 2017).

The writing of the regression equation used for path analysis is as follows:

$$ERM = p_1BOC + p_2AC + e1$$
$$FV = p_3BOC + p_4AC + p_5ERM + e2$$

Description: ERM= risk management disclosure; FV= firm value; p_1BOC= intercept of the board of commissioners; p_2AC= intercept of the audit committee; p_2ERM= intercept of the risk management disclosure; e1= residual of the risk management disclosure; e2= residual of the firm value

4. Result

The firm value variable has an average value of 1.050, so property and real estate sector companies achieve an optimal firm value equal to one (1) or have a market value of assets equal to the book value of assets. The risk management disclosure variable has an average value of 0.529, so the acquisition of this number indicates that on average property and real estate sector companies report 13 points of risk management information in their annual reports. The higher the disclosure of risk management information reported, the better the company is at conveying risk information. The board of commissioners size variable has an average value of 3.780, meaning that the members of the board of commissioners owned by property and real estate companies are four people. The large number of members of the board of commissioners owned is expected to be able to expand supervision over company management. The audit committee variable has an average value of 3.018, so it is known that the audit committee members in each company are three people (Table 1). The presence of an audit committee is able to assist the board of commissioners' duty obligations in supervising the performance of company management.

The result of testing classical assumptions on the first regression consisting of firm value, board of commissioners size, and audit committee obtained results that there were no problems with classical assumption testing. Likewise, the results of testing classical assumptions on the second regression consisting of firm value, company risk management disclosure, board of commissioners, and audit committee did not have any problems with classical assumption testing

Table 1. Descriptive Statistics

	Mean	Median	Maximum	Minimum	Std. Dev.	Obs.
FV	1.050	0.751	5.773	0.117	0.905	168
ERM	0.529	0.560	0.840	0.080	0.147	168
BOC	3.780	3.000	12.000	2.000	1.773	168
AC	3.018	3.000	4.000	2.000	0.278	168

Table 2. Results of Hypothesis Testing of Direct Effects

Hypothesis	The Direct Path Coefficient	t-statistic	Sig.
BOC → ERM	0.040	6.901	0.000
AC → ERM	0.080	2.181	0.031
BOC → FV	0.116	2.502	0.013
AC → FV	0.496	1.873	0.063
ERM → FV	0.932	2.211	0.029

Based on the results of hypothesis testing on (table 2), it was found that the size of the board of commissioners and the audit committee partially have a positive influence on the company's risk management disclosure. The size of the board of commissioners and risk management disclosure partially has a positive effect on firm value. The test result has no effect obtained from the relationship of the audit committee to firm value.

Table 3. Results of Hypothesis Testing Sobel Test

Hypothesis	The Indirect Path Coefficient	t-statistic Sobel Test	t-table Sig. 0.05
BOC → FV	0.037	2.085	1.975
AC → FV	0.075	1.477	0.031

Based on the results of hypothesis testing on (table 3), it was found that the indirect effect test results that the influence of the size of the board of commissioners on firm value mediated by risk management disclosure has a positive effect, so this study proves that risk management successfully mediates the relationship between the board of commissioners and firm value. While the indirect effect of the audit committee on firm value cannot be mediated by the company's risk management disclosure.

5. Discussion

Size Of The Board Of Commissioners On Risk Management Disclosure

The role of the board of commissioners as a supervisor of the effective implementation of risk management is able to increase the extent of disclosure of company risk information conveyed and reported by management to stakeholders through the company's annual report. So that users of the annual report are able to know the risks that commonly arise in property and real estate sector companies such as financial risk, project risk, legal/ compliance risk, strategic risk, and operational risk. The presence of a board of commissioners who have knowledge and experience is expected to provide optimal supervision for the performance of the company's management in their efforts to increase the company's value.

By fulfilling general information and company risk information needed by stakeholders, management has implemented the agency theory mechanism which states that the efforts of company management are to provide benefits to the principal party to maximize profits, manage organizations, and convey information to shareholders. This result is in line with the research conducted by Fitriani & Setyawan (2022) and Tarantika & Solikhah (2019). However, it is not in line with Abbas et al. (2021) and Wijayanti et al. (2022).

Audit Committee On Risk Management Disclosure

The presence of the audit committee as an extension of the board of commissioners as the executor of the duties and functions of supervising the company's management is able to produce a positive influence. The influence of the existence of audit committee members on the aspect of risk management disclosure is the existence of more effective supervision and control mechanisms with the aim of managing company risks consisting of risk avoidance, risk acceptance, risk transfer, and risk prevention. The presence of an audit committee in property and real estate sector companies improves management performance through independent supervision by the audit committee, creates effective internal audit functions, and maintains compliance with company activities and projects in accordance with statutory regulations.

The existence of an audit committee as a committee given direct tasks by the board of commissioners for the implementation of internal company supervision in accordance with the agency theory principle, namely that the audit committee is able to provide protection for the interests of the company's principal. In addition, the presence of an audit committee provides ease for the board of commissioners in obtaining supervisory information on the performance carried out by the company's management so that information conveyed by management to stakeholders regarding company management is in accordance with effective and efficient governance. This result is in line with the research conducted by Fitriani & Setyawan (2022) and Wahyuni et al. (2020). This result also proves that it is not in line with the research conducted by Falendro et al. (2018).

Size of The Board of Commissioners On Firm Value

The supervision carried out by the board of commissioners is an effort by the company to control potential risks that have an impact on the company's value. The company's operations run by management need to be supervised through the mechanism of the presence of a board of commissioners who are responsible for supervising the directors and the company's management. The delivery of management performance results and supervision carried out by the board of commissioners is then conveyed through an accountability annual report. The market will respond positively to the company's efforts in conveying information through a board of commissioners who have independence and high control over management supervision.

The influence of an independent and impartial board of commissioners is expected to increase stakeholder confidence in assessing the performance of the company's management. Based on stakeholder theory, the role of a board of commissioners who have a greater level of control for supervising corporate governance is able to provide a sense of security for stakeholder interests and can provide benefits for stakeholders. The board of commissioners in property and real estate companies as supervisors of management performance and providers of security for owners and stakeholders have a duty to secure assets and record company liabilities/debts correctly, thus reducing material risks for the company and protecting the company's value. This result is in line with the research conducted by Ahmad et al. (2020) and Sari et al. (2019). However, this result is not in line with Mangoting et al. (2020) and Malelak et al. (2020).

Audit Committee on Firm Value

The audit committee is assigned to assist the commissioners in carrying out the role of supervision and supervision of the reliability of the company's financial statements and the reliability of the company's risk management. The absence of an audit committee's influence on firm value in this study is due to the main task of planning, managing, and developing sources of company profits to increase firm value being the responsibility of the directors. In addition, many audit committee members in this research sample were found to hold concurrent positions as commissioners.

Audit committee members who hold concurrent positions as members of the board of commissioners create a biased company supervision and control mechanism, so that the size of the audit committee has not been able to influence firm value. In property and real estate companies that were used as research samples, there are companies that have an audit committee with concurrent positions as commissioners in the same company such as PT PP Properti Tbk, PT Bumi Serpong Damai Tbk, and PT Indonesian Paradise Property Tbk. This result is contrary to the research conducted by Jamaluddin et al. (2020) and Burhanuddin et al. (2020). Thus, this research result is in line with and supports the research results that have been conducted by Mukhtaruddin et al. (2014); (Jemunu et al. (2020); Al Farooque et al. (2020); (Budiman & Krisnawati, 2021); Sajida & Purwanto (2021) and Kusuma & Nuswantara (2021).

Risk Management Disclosure on Firm Value

Risk management is an effort to manage activities carried out by the management of an organization or company to coordinate in directing and controlling organizations related to risk. Companies with poor risk management practices tend to have low risk management expertise so they cannot maximize opportunities for increasing firm value. While companies with good risk management will reduce risk exposure so that company risk management can increase firm value. Good corporate risk management includes company commitment, there is a risk management policy, internal control system, internal audit charter, risk monitoring committee charter, and internal and external risk sharing.

Company risk information reported in the annual report adds value to a company because the company not only reports financial information but also reports non-financial information such as risk information. Referring to signaling theory that the market responds to partial information sent from the owner of the information, then company risk information reported through the annual report can increase market response to increase firm value. Although risk management reporting in the property and real estate sector is still voluntary, the positive influence of risk management disclosure on firm value in the property and real estate sector is in line with mandatory regulations for reporting risk management in the financial sector and state-owned enterprises. As in the financial sector has been regulated in POJK No. 03, 04, 05, and 06. While in the state-owned enterprise sector it has been regulated in PER-5/MBU/09.2022. This result is in line with the research conducted by Sajida & Purwanto (2021) and Jamaluddin et al. (2020). However, this result is not in line with the research conducted by Savitri et al. (2022).

Size of The Board of Commissioners on Firm Value Through Risk Management Disclosure

This study obtained results that risk management disclosure is able to mediate the effect of the size of the board of commissioners on firm value. The importance of management performance information needs to be conveyed by the board of commissioners to shareholders and company stakeholders. Because by conveying good or bad company information can affect the market response to the company. One of the company's efforts to increase the company's value is by maximizing the role of company management supervised by the board of commissioners to be assessed for its performance and reported in the company's annual report. The aspect of supervision that needs to be carried out by the board of commissioners to increase the company's value is through an assessment of risk management carried out by the company's management. The wider the aspect of risk management managed by the company, the board of commissioners is responsible for including the report on the results of this supervision in the annual report so that positive management performance and supervision by the board of commissioners can increase the company's value.

The main duties and responsibilities of the board of commissioners as supervisors of effective risk management implementation are in line with the broad scope of disclosure of company risk management. The higher the aspect of risk management reported, the added value of the presence of a board of commissioners in supervising and providing improvement suggestions to company management. So that management achievement in their efforts to increase firm value is in line with supervision carried out by the board of commissioners in providing a positive response for company stakeholders. The board of commissioners continues to supervise management in managing risks consisting of risk avoidance, risk acceptance, risk transfer, and risk prevention. This is in accordance with stakeholder theory which aims to protect interests and provide a sense of security for shareholders and stakeholders in property and real estate sector companies.

Audit Committee on Firm Value Through Risk Management Disclosure

This study obtained results that there is no mediation effect of risk management disclosure in influencing the audit committee on firm value. Risk management disclosure contains risk information that is analyzed based on the company's needs as a guideline for determining decisions on controlling future risks. Audit committee members, as parties appointed and designated by the board of commissioners to carry out the duties and functions of the board of commissioners, do not have the authority to decide what risk information can be reported in the annual report. As stated in POJK Regulation No.55/POJK.04/2015 concerning guidelines for implementing audit committee work, the audit committee only reviews risk management activities carried out by the directors if the company does not have a risk management committee function.

The audit committee is authorized to assist the board of commissioners as a supervisor of risk management, but the audit committee does not have the authority to select and convey risk information to be reported to users of the company's annual report. This condition results in risk management disclosure being unable to mediate the influence of the audit committee on firm value, because the higher the extent of risk information conveyed by public companies in the property & real estate sector does not come from the decision of the audit committee but comes from the board of commissioners and board of directors of the company. The results obtained based on this research testing are not in line with the research of Jamaluddin et al. (2020) which explains that risk management is able to mediate the relationship between the audit committee and firm value.

6. Conclusion and Suggestion

Conclusion

The conclusion in this study is known that the size of the board of commissioners and the audit committee partially each have an influence on the disclosure of company risk management. Significant results were also obtained from the results of testing the influence of the size of the board of commissioners and risk management disclosure partially on firm value. While different results were obtained from the results of testing the audit committee on firm value, which obtained results that the audit committee did not affect firm value. The conclusion of testing mediation variables was obtained that risk management disclosure was able to mediate the relationship between the size of the board of commissioners and firm value, while risk management disclosure was unable to mediate the relationship between the audit committee and firm value.

Suggestion

This study obtained results that the audit committee has no direct and indirect influence on firm value. This is because the audit committee has the authority to assist the board of commissioners in monitoring the performance of the company's management, so the audit committee does not directly act as management to increase firm value because the authority to optimize firm value is owned by the directors and committees under them. Suggestions for further research are expected to add variables for directors and/or committees under directors to determine their influence on firm value.

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