

Analysis of Factors that Influence the Disclosure of Enterprise Risk Management (Empirical Study on Industrial Companies Listed on the Indonesia Stock Exchange for the Period 2021-2023)

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ABSTRACT

This study aims to analyze the factors that influence the disclosure of *Enterprise Risk Management* in industrial companies listed on the Indonesia Stock Exchange (IDX) during the 2021-2023 period. Sampling in this study was carried out using a *purposive sampling* method, so a sample of 25 companies was obtained for each year. So that the total sample used in this study was 75 company samples and 5 samples were outliers, so that the sample that met the criteria was 70 samples. The factors in this study include profitability, leverage, board size, independent commissioners, and risk management committees. The analysis technique used is multiple linear regression. The results of this study indicate that of the five factors analyzed, three variables affect the disclosure of *enterprise risk management*, namely, the size of the board of commissioners, independent commissioners, and risk management committee, while the variables of profitability and *leverage* have no effect on the disclosure of *enterprise risk management*. Suggestions for future research can expand the object of research, for example on all companies listed on the IDX, conventional banking companies, Islamic banking companies, and others, and can extend the research period, and can be considered other variables that also affect the disclosure of enterprise risk management such as the presence of *Chief Risk Officer* (CRO), audit committee expertise, and ownership structure.

Keywords: Enterprise risk management disclosure; industrial companies; profitability; leverage; risk management; board size; independent commissioner; risk management committee.

I. INTRODUCTION

Every company that carries out its business activities is always faced with risks or uncertainties that cannot be avoided. The existence of these risks can encourage companies to carry out risk control. Integrated and comprehensive risk control is one of the management strategies to create good company value in the eyes of stakeholders (CRMS Indonesia, 2019). Enterprise risk management (ERM) is a company strategy that is carried out to manage and evaluate risks in an integrated and comprehensive manner so that it will help companies consider decision making. The risk management function is not only a formality concept, but can be an alternative strategy in achieving company goals where the company will have good governance (*Good Corporate Governance*) and will be easily trusted by investors (CRMS Indonesia, 2019). In addition, the implementation of risk management in the company can also reduce the occurrence of unwanted things, increase management effectiveness and efficiency, improve the company's image, and can strengthen relationships with stakeholders (Nurul & Widhian, 2022).

Enterprise Risk Management (ERM) is an integrated and rigorous strategy for assessing corporate risk. These procedures create a risk-aware corporate culture. Better risk reporting, structure, and analysis from

ERM will help company officials to take better risk mitigation decisions. It improves risk focus and perspective, resource efficiency, and regulatory compliance. ERM makes checks and reviews faster and easier. ERM minimizes financial, operational, strategic, and hazard risks. Iswajuni et al. (2018) say risk management is an inseparable part of the company's strategy and its implementation is carried out to minimize and mitigate risks to a minimum level so that the company can survive in competition (Trisnawati et al., 2023).

Risk disclosure began to become a global concern when the publication of a discussion paper entitled "*Financial Reporting of Risk-Proposals for a Statement of Business Risk*" in 1998 by the Institute of Chartered Accountants in England and Wales (ICAEW) which suggested companies to present information about the business risks they face in the company's annual report. Regarding risk management, the global community currently refers to the standards of *The International Organization for Standardization* (ISO) 31000 and *the Committee of Sponsoring Organizations of The Treadway Commission* (COSO). The Indonesian National Standardization Agency has adopted *The International Organization for Standardization* (ISO) standards into the Indonesian National Standards. In accordance with the SEOJK of the

Republic of Indonesia Number 16 / SEOJK.04 / 2021 concerning the Form and Content of the Annual Report of Issuers or Public Companies, one of which regulates the disclosure of risk management that must be complied with by public companies in the presentation of the Company's annual report (Dinata et al., 2023).

Based on the national survey conducted by the CRMS Indonesia committee, it can be concluded that although the majority of companies in Indonesia feel ready to face risks in 2023, there is still room for improvement. Companies need to pay attention to readiness in various sectors, company types, and aspects of policies and procedures. On the website

<https://crmsindonesia.org/publication/s/buku-kumpulan-studi-kasus-manajemen-risiko-di-indonesia/> there are case studies of risk management in Indonesia. This case study is about compliance risk and legal risk in the case of the former CEO of Pertamina. Former President Director of PT Pertamina (Persero) Karen Agustiawan allegedly committed actions that harmed the company, causing financial losses to Pertamina.

Based on surveys and literature studies, findings and analysis are obtained related to risks that arise due to failure in risk management. Various messes that occur in the company are indicated due to the lack of disclosure of

Enterprise Risk Management (ERM). ERM helps oversee all management activities to minimize fraud or loss. ERM implementation is related to the implementation of *Good Corporate Governance (GCG)*, especially in GCG principles, one of which is transparency which requires the need for enterprise risk management, namely the overall monitoring and risk management activities of the company. This was stated by Fathimiyah et al (2011) in research (Riyadi, 2018) that the quality of the company's *corporate governance* mechanism can be seen from the level of transparency. GCG and ERM have a close relationship in accordance with the regulations regarding ERM management issued by the National Committee on Governance Policy (KNKG), in the form of Guidelines for Implementing Government-Based Risk Management (Dewi & Agoestina, 2022).

The Indonesian Institute for *Corporate Governance* provides a definition that Corporate Governance is a set of procedures that direct and control the company to ensure the company's operations follow the expectations of stakeholders. IICG also defines good corporate governance as organizational structures, systems, and processes that are intended to provide added value to the company from time to time in the long term. So that from this definition, Corporate Governance is a set of procedures, each of which

consists of structures, systems and processes used by the company's internal organs to direct and control company operations in order to achieve the desired results (Zulaikha & Murtanto, 2023). Research conducted by (Trikartika Gustyana & Fakhira, 2023) reveals that *good corporate governance* affects ERM disclosure. However, according to research conducted by (Muslih & Maghfiroh, 2023) shows that *good corporate governance* has no effect on ERM disclosure.

ERM disclosure besides being influenced by Good Corporate Governance, ERM can also be influenced by financial ratios, which here the authors use profitability ratios and leverage ratios. Companies that have high profitability must have high risks as well, this is because profitability is a measure of the extent to which the company is able to generate profits. The results of research by Sarwono et al (2018) reveal that the level of profitability has no effect on risk management disclosure. Meanwhile, Saskara and Budiasih (2018) state that profitability has a significant effect on risk management disclosure. In addition, previous research also discussed the relationship between leverage and ERM disclosure. Companies that have a high leverage ratio must disclose risk management to investors for the use of funds that have been provided. This is done to eliminate investor doubts about the

fulfillment of their rights. Research by Sarwono et al (2018) states that the level of leverage has a significant effect on the disclosure of *Enterprise Risk Management* (ERM) (Nurul & Widhian, 2022).

Profitability measures the company's ability to generate profits (earnings), which refers to a certain level of sales, assets, and share capital. This ratio provides an overview of the level of effectiveness or efficiency of management in running the company. This is shown through the profit information presented which is obtained from sales, investment income and other company activities. The level of profitability is a measure of the achievement and success of the company seen from the profit earned by the company. A relatively high level of profitability will make them send signals to the market regarding risk management capabilities through disclosure in the annual report and justify their performance to shareholders (Febriandhani et al., 2023).

Leverage is a ratio to measure how much the company is financed with debt. Debt is the company's external funding source used in operational activities. A high level of leverage is related to financial risk. Appropriate management policies are needed so that the risk does not become fatal until the company goes bankrupt. Companies with high leverage tend to be careful in carrying

out their activities, including in disclosing enterprise risk management. If management uses debt excessively, it can cause fatal risks to the company such as bankruptcy. High leverage causes increased financial risk, making creditors increasingly demanding for transparency of enterprise risk management information in the company's annual report (Lahfah & Rahayu, 2023).

The third factor that can affect ERM disclosure is the size of the board of commissioners. The size of the board of commissioners is the number of boards of commissioners owned by the company. In carrying out the company's objectives, it requires a board of commissioners to oversee the company's management activities (Pratiwi, 2023). The size of the board of commissioners plays a role in overseeing the implementation of risk management and ensuring that the company has effective risk management. The large number of board members increases the opportunity to exchange information and expertise, thereby improving the quality of Enterprise Risk Management (Eko Cahyono, 2023). Research conducted by (Malik, A. & Kristanti, 2023) revealed that the size of the board of commissioners has an effect on ERM disclosure. However, according to research conducted by (Pratiwi, 2023) shows that the size of the board of commissioners has no effect on ERM disclosure.

The fourth factor that can influence ERM disclosure is independent commissioners. Carrying out the audit function, one of which is to review the implementation of the risk management function carried out by the company, is part of the duties and responsibilities of independent commissioners other than the board of commissioners. Increasing the supervisory role to the company due to the existence of an independent board of commissioners and by carrying out the audit function on the implementation of the risk management function, it will make the risk management disclosure carried out will also increase. According to the National Committee on Governance Policy (2006), an independent commissioner is a board of commissioners that stands alone (independent) and has no relationship with management, other commissioners, and the company's ultimate shareholders and is free from various relationships that can affect its ability to act solely in the interests of the company. (Dinata et al., 2023). Research conducted by (Indika Riski Oktaviana and Elen Puspitasari, 2022) revealed that independent commissioners have an effect on ERM disclosure. However, according to research conducted by (Hardiyanti et al., 2022) shows that independent commissioners have no effect on ERM disclosure.

The risk management committee is a tool to evaluate internal controls and identify company risks. The existence of a risk management committee is expected to improve the company's image, so that if the company has a risk management committee, ERM disclosure will be more extensive (Nurul & Widhian, 2022). According to the National Committee on Governance Policy (2006), the risk management committee is a committee formed to assist the board of commissioners in carrying out supervisory duties and monitoring the implementation of risk management implementation in the company. With the function of the risk management committee in reviewing and monitoring the company's business risks, it will encourage company management to carry out risk management activities and their disclosure (Agustina et al., 2021). The existence of a risk management committee is considered, to be more focused on controlling existing risks. This indicates that the risk management committee will play an important role in disclosing enterprise risk management (Lahfah & Rahayu, 2023). Supervision of the company will also be more optimal in the presence of a risk management committee so that the application of the principle of transparency that makes the company behave more in disclosing risk management will be created. This is in line with research

conducted by Tarantika and Solikhah, (2019) which explains that the risk management committee has a significant effect on risk management disclosure (Dinata et al., 2023). Research conducted by (Muslih & Maghfiroh, 2023) revealed that the risk management committee has an effect on ERM disclosure. However, according to research conducted by (Pratiwi, 2023) shows that the risk management committee has no effect on ERM disclosure.

Previous research shows inconsistencies in the results given, so researchers are interested in conducting research again on the factors that influence the disclosure of enterprise risk management. This research is a development of research conducted by (Indika Riski Oktaviana and Elen Puspitasari, 2022). The difference between this research and previous research is that in this study the authors added financial ratios, board size, independent commissioners, and risk management committees as independent variables. The author adds financial ratios as independent variables because these ratios provide an overview of the level of effectiveness or efficiency of management in running the company. The author adds the board of commissioners, size variable because this variable plays a role in overseeing the implementation of risk management and ensuring that the company has effective risk management. The independent

commissioner variable was also chosen as an independent variable because the independent commissioner is in charge and responsible for reviewing the implementation of the risk management function carried out by the company. The next variable is the risk management committee, the risk management committee is a tool to evaluate internal control and identify company risks. The existence of a risk management committee is expected to improve the company's image, so that if the company has a risk management committee, ERM disclosure will be more extensive.

II. RESEARCH METHOD

The type of research used is quantitative with hypothesis testing. This study aims to examine the effect of *good corporate governance* and financial ratios on the disclosure of *enterprise risk management* in industrial companies listed on the Indonesia Stock Exchange in 2021-2023. The data in the study are quantitative data using secondary data derived from financial report documents on the website www.idx.co.id. Sampling in this study was carried out using *purposive sampling* method. Based on the sample criteria in this study, a sample of 25 companies was obtained for each year. So that the total sample used in this study was 75 company samples and 5 samples were outliers, so that the sample that met the criteria

was 70 samples. The independent variables in this study are Profitability (X_1), Leverage (X_2), Board of Commissioners Size (X_3), Independent Commissioner (X_4), and Risk Management Committee (X_5). The dependent variable in this study, namely the disclosure of *enterprise risk management* (Y). This study uses descriptive statistical analysis methods, multiple linear regression analysis and hypothesis testing assisted using the SPSS application.

III. RESULTS AND DISCUSSION

Result

Descriptive Statistical Test

Table 1. Descriptive Statistical Test Results

Variable	N	Minimum	Maximum	Mean	Std. Dev
Profitability	70	,001	,364	,07321	,062
Leverage	70	,065	10,753	1,0773	1,81754
Board of Commissioners Size	70	2,000	10,000	4,0143	1,96707
Independent Commissioner	70	,333	,667	,41586	,102916
Risk Management Committee	70	,000	1,000	0,9143	,281963
ERM Disclosure	70	,900	1,000	,96571	,047809
Valid N (listwise)	70				

Source: Data Analysis Results, 2025

Based on the table above, it is known that the amount of data (N) in this study is 70 company analysis units. The profitability variable has a minimum value of 0.001 owned by the Berkah Prima Perkasa Tbk (BLUE) company. The maximum value is 0.364 in the Mark Dynamics Indonesia Tbk (MARK) company. The average value of profitability

proxied by Return On Asset (ROA) is 0.07321, while the standard deviation value of profitability is 0.062809. This means that the standard deviation is lower than the average value, so it can be said that the profitability variable has low variation.

The leverage variable has a minimum value of 0.065 owned by the Supreme Cable Manufacturing (SCCO) company. The maximum value is 10.753 owned by the Bakrie & Brothers Tbk (BNBR) company. The average value of leverage is 1.07724, while the standard deviation value of leverage is 1.817538. This means that the standard deviation is higher than the average value, so it can be said that the leverage variable has a high variation.

The board of commissioners size variable has a minimum value of 2,000, one of which is owned by the company Hexindo Adiperkasa Tbk (HEXA). The maximum value is 10,000 which is owned by the Astra International Tbk (ASII) company. The average value of the size of the board of commissioners is 4.01429, while the standard deviation value of the size of the board of commissioners is 1.967068. This means that the standard deviation is lower than the average value, so it can be said that the board size variable has a low variation.

The independent commissioner variable has a minimum value of 0.333, one of

which is owned by the company Asahimas Flat Glass Tbk (AMFG). The maximum value is 0.667, one of which is owned by the Mulia Industrindo Tbk (MLIA) company. The average value of independent commissioners is 0.41586, while the standard deviation value of independent commissioners is 0.102916. This means that the standard deviation is lower than the average value, so it can be said that the independent commissioner variable has low variation.

The risk management committee variable has a minimum value of 0.000 owned by the Supreme Cable Manufacturing (SCCO) company. The maximum value is 1.000, one of which is owned by the Astra Graphia Tbk (ASGR) company. The average value of the risk management committee is 0.91429, while the standard deviation value of the risk management committee is 0.281963. This means that the standard deviation is lower than the average value, so it can be said that the risk management committee variable has low variation.

The *enterprise risk* management disclosure variable has a minimum value of 0.900, one of which is owned by the Mark Dynamics Indonesia Tbk (MARK) company. The maximum value is 1.000, one of which is owned by the MNC Asia Holding Tbk (BHIT) company. The average value of disclosure of enterprise risk

management is 0.96571, while the standard deviation value of disclosure of enterprise risk management is 0.047809. This means that the standard deviation is lower than the average value, so it can be said that the variable disclosure of enterprise risk management has low variation.

Classical Assumption Test

The normality test aims to ascertain whether the residuals in the regression model are normally distributed. Normality testing in this study uses the CLT (*Central Limit Theorem*) test, namely if the amount of data observed is large enough (n more than 30), the data results are closer to normal. The larger the sample size, the closer the sample distribution is to the normal distribution. This study has a total n of 70 and is greater than 30. This shows that the data in the study is normally distributed.

The results of the multicollinearity test show that all independent variables have a tolerance of more than 0.10 and a VIF value of less than 10, so it can be concluded that the regression model is free from multicollinearity. The results of the heteroscedasticity test show that the significance values of the variables of profitability, leverage, board size, independent commissioners, and risk management committee are greater than 0.05. Thus, it can be concluded that the regression model does not contain

any heteroscedasticity issues. The autocorrelation test results provide information that the Asymp. Sig. (2-tailed) value is 0.630. This indicates that Asymp. Sig. (2-tailed) > 0.05 (significance level). Therefore, it can be concluded that there is no autocorrelation.

Hypothesis Test

Multiple Linear Regression Test

Table 2. Multiple Linear Regression Test Results

Model	Unstandardized Coefficients		Standardized Coefficients	t	Sig.
	B	Std. Error	Beta		
(Constant)	,964	,024		39,400	,000
Profitability	-,105	,074	-,138	-1,414	,162
Leverage	,005	,003	,189	1,854	,068
Board of Commissioners Size	,007	,002	,277	2,988	,004
Independent Commissioner	-,209	,044	-,449	-4,778	,000
Risk Management Committee	,004	,016	,409	4,398	,000

Source: Data Analysis Results, 2025

Based on the table above, multiple linear regression equations can be made in this study:

$$\text{PERM} = 0.964 - 0.105\text{ROA} + 0.005\text{DER} + 0.007\text{UDK} - 0.209\text{KI} + 0.004\text{KMR} + e$$

Based on the multiple linear regression model above, the direction of the regression coefficient results of this study can be interpreted as follows:

The constant value = 0.964 with a positive direction, this can be interpreted if the independent variables (profitability, leverage, board size, independent

commissioners, risk management committee) can be assumed to be constant, then the average disclosure of *enterprise risk management* increases.

The regression coefficient on the profitability variable is -0.105 with a negative direction. It can be interpreted that the higher the profitability of a company proxied by ROA, the lower the disclosure of *enterprise risk management*. Conversely, the lower the profitability of a company, the higher the disclosure of *enterprise risk management*.

The regression coefficient on the leverage variable is 0.005 with a positive direction. It can be interpreted that the higher the leverage in a company proxied by DAR, the disclosure of *enterprise risk management* will decrease. Conversely, the lower the leverage in a company, the disclosure of *enterprise risk management* will also increase.

The regression coefficient on the board of commissioners size variable is 0.007 with a positive direction. It can be interpreted that the larger the members of the board of commissioners, the higher the disclosure of *enterprise risk management*. Conversely, the smaller the size of the board of commissioners, the lower the disclosure of *enterprise risk management*.

The regression coefficient on the independent commissioner change variable is -.209 with a negative direction. This means that the greater the proportion of independent commissioners of a company, the higher the disclosure of *enterprise risk management*. Conversely, the smaller the independent commissioners, the disclosure of *enterprise risk management* decreases.

The regression coefficient on the risk management committee variable is ,004 with a positive direction. This means that the greater the proportion of risk management committee in a company, the higher the disclosure of *enterprise risk management*. Conversely, the smaller the risk management committee, the lower the level of disclosure of *enterprise risk management*. The error value is 0.024 which means it states that the level of error or deviation that may not be known in the regression model is 0.024.

The results of the F test using the significance value, namely the sig. value of 0.000 < 0.05, it can be concluded that the variable values of profitability (X_1), leverage (X_2), board size (X_3), independent commissioners (X_4), and risk management commitment (X_5) simultaneously (together) affect the variable Disclosure of *Enterprise Risk Management* (Y). This also means that the research model can be applied.

The result of the *Adjusted R Square* value of the profitability variable (X_1), leverage (X_2), board size (X_3), independent commissioners (X_4), and risk management commitment (X_5) simultaneously (together) affects the *Enterprise Risk Management Disclosure* variable (Y), amounting to 46.2% while the remaining 53.8% is influenced by other variables outside the regression equation.

Discussion

Effect of Profitability on the disclosure of *enterprise risk management*

Based on the results of the t test, it can be seen that profitability has a significance value of 0.162 which means greater than 0.05 or 5%. Thus it can be concluded that **H_1 is rejected**, which means that profitability has no effect on the disclosure of *enterprise risk management*. The results of this study are not in line with *agency theory*, each company has a choice in accounting practices used to address the resulting profitability. There are companies that choose not to implement disclosure of *enterprise risk management* in an effort to look attractive in the eyes of investors, because profitability is one of the points that investors pay attention to in investing. This is because, by not implementing the disclosure of enterprise risk management, it will create an integrated and rigorous

strategy to assess company risk. This procedure creates a risk-aware corporate culture. Better reporting, structure, and risk analysis from ERM will help company officials to make better risk mitigation decisions.

The results of this study provide empirical evidence that profitability has no effect on the disclosure of enterprise risk management. These results are in line with research conducted by Haryanti, N. A., & Hardiyanti, W. (2022), and Sarwono, et al, (2018) which state that profitability has no effect on the disclosure of *enterprise risk management*.

Leverage's influence on the disclosure of *enterprise risk management*

Based on the results of the t test, it can be seen that leverage has a significance value of 0.162 which means greater than 0.05 or 5%. Thus it can be concluded that **H_2 is rejected**, which means that leverage has no effect on the disclosure of *enterprise risk management*. The results of this study are not in line with *agency theory* because in practice, companies with high leverage levels do not necessarily feel compelled to disclose their risk management more openly, especially if there is no pressure from external parties such as regulators or creditors who demand such transparency. This suggests that the relationship between leverage and ERM disclosure is weak

or inconsistent. The absence of such influence also shows inconsistency with agency theory, which assumes that the high risk due to the use of debt will encourage managers to act more transparently to reduce information asymmetry and increase shareholder confidence.

The results of this study provide empirical evidence that leverage has no effect on the disclosure of *enterprise risk management*. This result is in line with research conducted by Wirajaya, I. G. A (2018), and Cecasmi, J. A. (2017) which states that leverage has no effect on the disclosure of enterprise risk management.

Effect of Board of Commissioners Size on disclosure of *enterprise risk management*

Based on the results of the t test, it can be seen that the size of the board of commissioners has a significance value of 0.004, which means it is smaller than 0.05 or 5%. Thus it can be concluded that **H₃ is accepted**, which means that the size of the board of commissioners affects the disclosure of enterprise risk management. The results of this study are in line with *agency theory*, by explaining how transparent risk management can reduce information asymmetry and conflicts of interest between shareholders (principal) and managers (agent). *Agency Theory* is the basis for implementing *Good Corporate Governance* related to the

ranks of the board of commissioners and the board of directors used to minimize conflicts between the agent and the principal. The size of the board of commissioners affects the disclosure of enterprise risk management. The size of the board of commissioners is the number of boards of commissioners owned by the company. The main function of the board of commissioners is to oversee the management of the company carried out by the board of directors, as well as provide strategic direction to the board of directors to ensure that the company is managed properly and in accordance with the interests of shareholders and applicable regulations.

The results of this study show empirical evidence that the size of the board of commissioners affects the disclosure of *enterprise risk management*. These results are in line with research conducted by (Malik, A. & Kristanti, 2023) and (Pratiwi, 2023) which state that the size of the board of commissioners affects the disclosure of enterprise risk management.

Effect of Independent Commissioners on disclosure of *enterprise risk management*

Based on the results of the t test, it can be seen that institutional ownership has a significance value of 0.000, which means it is smaller than 0.05 or 5%. Thus it can be concluded that **H₄ is accepted**, which means that

independent commissioners have an effect on the disclosure of enterprise risk management. The results of this study are in line with agency theory, independent commissioners provide an objective and fair perspective in corporate decision making, and protect the interests of minority shareholders and other related parties. Independent commissioners are tasked with reviewing the implementation of the risk management function carried out by the company. Their presence encourages management to be more responsible in conveying relevant risk information, making ERM disclosures more comprehensive and trustworthy. Thus, independent commissioners help create transparency and accountability in corporate risk reporting, which ultimately improves the quality of ERM disclosures.

The results of this study indicate that independent commissioners have an effect on the disclosure of enterprise risk management. This finding is strengthened by research conducted by (Erviana, 2021) and (Wahyuni et al., 2020) which states that independent commissioners have an effect on the disclosure of enterprise risk management.

The influence of the Risk Management Committee on the disclosure of *enterprise risk management*

Based on the results of the t test, it can be seen that risk management has a significance value of 0.000, which means it is smaller than 0.05 or 5%. Thus it can be concluded that **H₅ is accepted**, which means that the risk management committee affects the disclosure of enterprise risk management. The results of this study are in line with *agency theory*, *Agency Theory* connects the risk management committee variable and the disclosure of *Enterprise Risk Management* by explaining how transparent risk management can reduce information asymmetry and conflicts of interest between shareholders (principal) and managers (agent). The risk management committee acts as a supervisory mechanism that ensures that the company's risks are managed properly and is transparent about the risk management conveyed through the disclosure of *Enterprise Risk Management*. With clear disclosure, companies can improve accountability, reputation, and ensure that managers act in accordance with the interests of shareholders.

This study provides empirical evidence that the risk management committee affects the disclosure of enterprise risk management. This finding is reinforced by research conducted (Lahfah & Rahayu, 2023) and (Hardiyanti et al., 2022), which conclude that the risk management committee affects the disclosure of *enterprise risk management*.

IV. CONCLUSION

Based on the research results, it can be concluded that profitability has no effect on the disclosure of *enterprise risk management*, meaning that the high and low level of profitability in a company has no effect on the disclosure of *enterprise risk management*. Leverage has no effect on the disclosure of *enterprise risk management*, meaning that the high and low level of leverage in a company has no effect on the disclosure of *enterprise risk management*. The size of the board of commissioners affects the disclosure of *enterprise risk management*, the greater the size of the board of commissioners, the higher the disclosure of *enterprise risk management*. Independent commissioners affect the disclosure of *enterprise risk management*, meaning that the smaller the proportion of independent commissioners in a company, the higher the disclosure of *enterprise risk management*. The risk management committee affects the disclosure of *enterprise risk management*, meaning that the greater the proportion of the management committee, the higher the disclosure of *enterprise risk management*.

This study has several limitations, namely that this research was only conducted within the scope

of the industrial sector listed on the Indonesia Stock Exchange (IDX) for the period used for only three years, namely 2021-2023 and the variables used are only five independent variables to analyze the factors that influence the disclosure of *enterprise risk management*. The results of the coefficient of determination test (Adjust R square) show that the dependent variable explains the variation in the dependent variable, namely *enterprise risk management*, by 46.2%, while the remaining 53.8% is influenced by other variables not included in this study.

Based on the conclusions and limitations of this study, suggestions can be proposed that are expected to be useful for further research, namely for future researchers to expand the object of research, for example on all companies listed on the IDX, conventional banking companies, Islamic banking companies, and others, and can extend the research period, for example five to seven years so that the results can better describe long-term conditions. Future research can pay attention to other variables that also affect the disclosure of *enterprise risk management*, for example the existence of a *Chief Risk Officer* (CRO), audit committee expertise, and ownership structure.

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