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Good Corporate Governance and Liquidity: The Urgency of Risk Disclosure of Manufacturing Companies in Indonesia

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ABSTRAK

Tujuan dari penelitian ini adalah untuk mengetahui pengaruh likuiditas (yang bersifat proxy ed dengan current ratio) dan tata kelola perusahaan yang baik (yang bersifat proxied dengan ukuran dewan komisaris, proporsi komisaris independen, kepemilikan institusional, dan kepemilikan manajerial) terhadap pengungkapan risiko. Metode analisis yang digunakan adalah analisis regresi data panel untuk perusahaan manufaktur yang terdaftar di Bursa Efek Indonesia (BEI) periode 2016-2018. Sampel penelitian terdiri dari 13 perusahaan dengan metode purposive sampling. Alasan penggunaan periode 2016-2018 adalah untuk mendapatkan kondisi perusahaan manufaktur di Indonesia yang masih relatif stabil sebelum pandemi Covid-19. Hasil penelitian menunjukkan bahwa kepemilikan manajerial berpengaruh positif signifikan terhadap pengungkapan risiko. Likuiditas, ukuran dewan komisaris, proporsi komisaris independen, dan kepemilikan institusional tidak memiliki pengaruh signifikan terhadap pengungkapan risiko. Kebaruan dari penelitian ini adalah terbentuknya model teoritis tata kelola perusahaan yang baik melalui indikator kepemilikan manajerial dalam mempengaruhi pengungkapan risiko, sehingga memberikan gambaran pentingnya kepemilikan oleh manajer agar pengungkapan risiko dapat dilakukan secara optimal. Penelitian ini memberikan kontribusi dalam pemahaman tentang faktor-faktor yang mempengaruhi pengungkapan risiko dan memberikan panduan bagi perusahaan dalam meningkatkan tata kelola perusahaan yang baik untuk mencapai pengungkapan risiko yang optimal.

ABSTRACT

The purpose of this study was to determine the influence of the liquidity (those that are proxy ed with current ratio) and good corporate governance (those that are proxied with size of the board of commissioners, proportion of independent commissioners, institutional ownership, and managerial ownership) to risk disclosure. The analytical method used is panel data regression analysis for manufacturing companies listed on the Indonesia Stock Exchange (IDX) for the period of 2016-2018. The research sample consisted of 13 companies with a purposive sampling method. The reason for using the 2016-2018 period is to get the condition of manufacturing companies in Indonesia which were still relatively stable before the Covid-19 pandemic. The results showed that managerial ownership had a significant positive effect on risk disclosure. Liquidity, size of the board of commissioners, proportion of independent commissioners, and institutional ownership do not have a significant influence on risk disclosure. The novelty of this research is the formation of a theoretical model of good corporate governance through indicators of managerial ownership in influencing risk disclosure, thereby providing an overview of the importance of ownership by managers so that risk disclosure can be carried out optimally. This research contributes to the understanding of the factors influencing risk disclosure and provides guidance for companies in improving good corporate governance to achieve optimal risk disclosure.

1. INTRODUCTION

Since 1998 the importance of risk disclosure began to become a frequent topic, this began when the Institute of Chartered Accountants in England and Wales (ICAEW) published a discussion paper entitled "Financial Reporting of Risk–Proposals for a Statement of Business Risk". ICAEW advises

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companies to present information about their business risks in annual reports with the aim of assisting stakeholder consideration in making decisions (Abraham & Shrives, 2014; Buckby et al., 2015). The absence of information about risks will reduce the accountability of the annual report because it can affect stakeholder considerations in predicting future situations faced by the company (Syabani & Siregar, 2014; Wicaksono & Adiwibowo, 2017). Risk disclosure is one form of implementing good corporate governance. However, the improvement of corporate governance in Indonesia is considered to lag behind several other countries affected by the 1997 financial crisis, such as Malaysia and South Korea (Muslih & Mulyaningtyas, 2019; Swarte et al., 2019). Risk disclosure is important in financial reporting, because corporate risk disclosure is the basis of accounting and investment practices (Elshandidy & Neri, 2015; Muslih & Mulyaningtyas, 2019).

In today's era of globalization, the number of cases of manipulation of financial statements in large companies makes most stakeholders less confident in the completeness and reliability of accounting figures in financial statements. For example, the scandals and fraud in accounting practices that befell Enron Corporation in 2001 and Worldcom in 2002 involving the famous public accounting firm Arthur Andersen, which shocked users of financial statements around the world. As a result of the accounting scandal committed, Enron suffered losses that made its stock price fall, which was initially US $ 90.75 per share to US $ 0.67 per share. The estimated loss experienced by Enron is worth US $ 74 billion, while the loss experienced by Worldcom is worth US $ 107 billion. Other cases such as Olympus, which is a camera manufacturer in Japan, are known to have hidden investment losses in companies by misappropriating acquisition funds for decades or since the 1980s. Good Corporate Governance is the principles that underlie a company's management process and mechanism based on laws and regulations and business ethics. In Indonesia, the monetary crisis that occurred in 1997 has developed into a multi-dimensional crisis including the economy, causing many companies to go bankrupt due to a weak understanding of Good Corporate Governance. Good Corporate Governance proxied in the size of the board of commissioners has a significant positive effect on risk disclosure (Ahmad et al., 2021; Darmadi, 2013; Hatane et al., 2019; Syaifurakhman & Laksito, 2016). The results of this study show that the more members of the board of commissioners, the better the level of control and supervision of management, thus encouraging management to be more transparent in disclosing risks. In risk disclosure, companies must include the proportion of independent commissioners, because companies with a high proportion of independent commissioners are likely to be required to provide more information to balance the level of risk to their personal reputation. Furthermore, companies with a higher proportion of independent commissioners are more likely to disclose widely as well as information management processes (Ahmad et al., 2021; Khumairoh & Agustina, 2017; Sari et al., 2022). Another characteristic that may affect risk disclosure is ownership structure. Ownership structure is a variable in previous research whose results are not significant for risk disclosure (Buckby et al., 2015; Madrigal et al., 2015). Research on ownership structure is based on agency theory that companies with a dispersed ownership structure will need more risk disclosure information than companies with a concentrated ownership structure (Wicaksono & Adiwibowo, 2017; Widiastuti et al., 2018; Yunifa & Juliarto, 2017).

The use of liquidity is as an indicator to measure the ability of a company to meet all short-term financial obligations at maturity using its current assets. Companies with a high level of liquidity, then have a great ability to pay their short-term obligations on time and indicate that the company has good performance and reflects strong financial conditions. Liquidity is an indicator to measure the ability of a company to meet all short-term financial obligations at maturity using its current assets. A high level of liquidity indicates a strong financial condition of the company, followed by higher risks. This condition encourages companies to disclose broader risk information to show that the company is credible and to satisfy stakeholders' desires for the company's information needs. Based on stakeholder theory, companies that have a high level of risk, will disclose more information related to risk to provide justification and explanation of what happens in the company to stakeholders.

2. METHODS

The type of research used is causality research by examining the influence of good corporate governance and liquidity on risk disclosure. The population used was Indonesian manufacturing companies for the 2016-2018 period. The reason for using the 2016-2018 period is to find out the condition of manufacturing companies in Indonesia which was still relatively stable before the Covid-19 pandemic. Data collection was carried out through documentation studies using company financial reports published on the Indonesia Stock Exchange website which were then analyzed panel data statistics using the EViews 12 statistical program.The sample for this study is a manufacturing company listed on the Indonesia Stock Exchange (IDX) for the 2016-2018 period. The reason for using the 2016-

2018 period is to get the condition of manufacturing companies in Indonesia which were still relatively stable before the Covid-19 pandemic. From the results of sample selection using purposive sampling, based on the data presented in Table 1, 13 companies were selected that met the criteria from a total population of 171 companies.

Table 1. Purposive Sampling Criteria

Criterion	Sum
Manufacturing companies listed on IDX in 2018	171
Manufacturing companies that do not publish annual reports and annual financial reports on the company's website or IDX website	(31)
Companies that do not present financial statements in rupiah (Rp)	(21)
Delisted companies and new IPOs	(30)
Manufacturing companies that have incomplete data related to the variables used in the study	(75)
Manufacturing companies that switched sectors during the study year	(1)
Companies that are the research sample	13
Years of Observation	3
Total research data for 3 (three) years	**39**

The measurements made on the variables studied can be seen based on the Table 2.

Table 2. Variable Measurement

Variable	Indicators
Risk Disclosure (Y)	$RD = \frac{\text{Jumlah item yang diungkapkan}}{\text{Total item pengungkapan}}$
Liquidity (X_1)	$CR = \frac{\text{Aset Lancar}}{\text{Utang Lancar}} \times 100\%$
Board of Commissioners Size (X_2)	BOC_size = Number of Members of the Board of Commissioners
Proportion of Independent Commissioners (X_3)	$INDEP = \frac{\text{Jumlah Komisaris Independen}}{\text{Total Anggota Komisaris}} \times 100\%$
Institutional Ownership (X_4)	$INST = \frac{\text{Kepemilikan Saham Pihak Institusi}}{\text{Jumlah Saham yang Beredar}} \times 100\%$
Managerial Ownership (X_5)	$MNJR = \frac{\text{Kepemilikan Saham Pihak Manajemen}}{\text{Jumlah Saham yang Beredar}} \times 100\%$

The data analysis method used in this study is the panel data regression analysis method. The equation for panel data regression is as follows:

$$RD\ it = \beta\ 0 + \beta\ _1CR\ it + \beta\ _2BOC\_size\ it + \beta\ _3INDEP\ it + _{\beta\ 4}INST\ it + \beta_5MNJR\ IT + \ldots\ldots\ \varepsilon_{\ IT}$$

Information:

RD : Risk Disclosure
β_0 : Constant
$\beta_{1,2,3}$: Regression coefficient of independent variable
CR : Current Ratio (Liquidity)
BOC size : Size of the Board of Commissioners
INDEP : Proportion of Independent Board of Commissioners
INST : Institutional Ownership
MNJR : Managerial Ownership
i : The company under study
q : Research period (years)
ε : Residuals / errors

3. RESULTS AND DISCUSSIONS

Results

Descriptive statistics in this study provide an overview of data specifications based on statistical approaches can be seen in the Table 3.

Table 3. Descriptive Statistical Analysis

	RD	CR	BOC_ SIZE	INDEP	INST	MNJR
Mean	0.396231	282.5082	3.538462	0.407677	0. 515579	0.207631
Median	0.388000	225.0172	3.000000	0.400000	0.576000	0.241200
Maximum	0.500000	768.0668	6.000000	0.500000	0.898100	0.380100
Minimum	0.194000	100.2962	2.000000	0.333300	0.051400	0.016500
Std. Dev.	0.077324	163.2007	1.022025	0.077423	0.230562	0.125684
Observations	**39**	**39**	**39**	**39**	**39**	**39**

Mean is the average of the data, obtained by adding up all the data and dividing it by the number of data (Fatihudin, 2015). The largest mean value experienced by the Liquidity (CR) variable, which is 282.5082 owned by PT. Mayora Indah Tbk, while the variable Managerial Ownership (MNJR) has the smallest mean value of 0.207631 owned by PT. Lionmesh Prima Tbk. While other variables are Risk Disclosure (RD) of 0.396231, the size of the Board of Commissioners (BOC_SIZE) is 3.538462, the proportion of Independent Commissioners (INDEP) is 0.407677, and Institutional Ownership (INST) is 0.515579. The median is the middle value (the average of the two middle values when the data is even) when the data is sorted from smallest to largest (Fatihudin, 2015). The largest median experienced by the Liquidity (CR) variable, which is 225.0172 owned by PT. Mayora Indah Tbk, while the variable Managerial Ownership (MNJR) has the smallest median value of 0.241200 owned by PT. Asiaplast Industries Tbk. Meanwhile, other variables are Risk Disclosure (RD) of 0.388000, Size of the Board of Commissioners (BOC_SIZE) of 3, Proportion of Independent Commissioners (INDEP) of 0.4, and Institutional Ownership (INST) of 0.576000.

Maximum is the largest value of the data (Eksandy, 2018: 64). The largest maximum experienced by the Liquidity (CR) variable is 768.0668 contained in PT. Garuda Metalindo Tbk in 2016, while the variable Managerial Ownership (MNJR) has the smallest maximum value of 0.380100 contained in PT. Wismilak Inti Makmur Tbk in 2018. While other variables are Risk Disclosure (RD) of 0.5, Board of Commissioners Size (BOC_SIZE) of 6, Proportion of Independent Commissioners (INDEP) of 0.5, and Institutional Ownership (INST) of 0.898100. Minimum is the smallest value of data (Fatihudin, 2015). The largest minimum experienced by variable liquidity (CR) is 100.2962 contained in PT. Asiaplast Industries Tbk. in 2018, while the variable Managerial Ownership (MNJR) has the smallest minimum of 0.016500 contained in PT. Impack Pratama Industri Tbk in 2016. While the other variable is Risk Disclosure (RD) of 0.194, Board of Commissioners (BOC_SIZE) size of 2, Proportion of Independent Commissioners (INDEP) of 0.3333, and Institutional Ownership (INST) of 0.051400.

Std. Dev. (Standard Deviation) is a measure of disperse or data spread (Fatihudin, 2015). The largest standard deviation value experienced by the Liquidity variable (CR) was 163.2007 which means that the Liquidity variable (CR) has a higher level of risk of changing compared to other variables during the study period. While the Risk Disclosure (RD) variable has the lowest level of risk because it has the smallest standard deviation, which is 0.077324. This shows that the Risk Disclosure (RD) variable during the study period experienced changes that were not too volatile.

Two-Model Paired Test

Common Effect vs Fixed Effect model selection test in the Table 4.

Table 4. Chow Test

Effects Test	Statistics	d.f.	Prob.
Cross-section F	42.551524	(12,21)	0.0000
Cross-section Chi-square	126.024729	12	0.0000
Redundant Fixed Effects Tests			
Equation: Untitled			
Test cross-section fixed effects			

Source: Data processed, output Eviews 9.0

Based on the results of the chow test above, the value of Probability (Prob.) Cross-section F of 0.0000 < 0.05 and Cross-section Chi-square of 0.0000 < 0.05. Based on the results above, it can be concluded that the Fixed Effect Model (**FEM)** is more feasible to use than the Common Effect Model (CEM). Fixed Effect vs Random Effect model selection test in the Table 5.

Table 5. Hausman Test

Test Summary	Chi-sq. Statistics	Chi-sq. d.f.	Prob.
Cross-section random	20.181954	5	0.0012
Correlated Random Effects - Hausman Test Equation: Untitled Test cross-section random effects			

Source: Data processed, output Eviews 9.0

Based on the results of the hausman test above, the value of Probability (Prob.) Random cross-section of 0.0012 < 0.05. Based on the results above, it can be concluded that the Fixed Effect Model (FEM) is more feasible to use than the Random Effect Model (REM).

Common Effect vs Random Effect model selection test in the Table 6.

Table 6. Lagrange Multiplier Test

	Test Hypothesis		
	Cross-section	Time	Both
Breusch-Pagan	11.49456 (0.0007)	0.033580 (0.8546)	11.52814 (0.0007)
Lagrange Multiplier Tests for Random Effects Null hypotheses: No effects Alternative hypotheses: Two-sided (Breusch-Pagan) and one-sided (all others) alternatives			

Source: Data processed, output Eviews 9.0

Based on the results of the lagrange multiplier test above, the value of the Breusch-pagan Cross-section Probability is 0.0007 < 0.05. Based on the results above, it can be concluded that the Random Effect Model **(REM)** is more feasible to use than the Common Effect Model (CEM).

Model Conclusion

Based on testing the three panel data regression models, it can be concluded that the Fixed Effect Model (FEM) in panel data regression is further used in estimating the effect of likidity, board of commissioner's size, proportion of independent commissioners, institutional ownership and managerial ownership on risk disclosure in manufacturing companies listed on the Indonesia Stock Exchange for the 2016-2018 period.

Table 7. Panel Data Model

1.	Chow Test	CEM vs FEM	FEM
2.	Hausman Test	REM vs FEM	FEM
3.	Lagrange Multiplier Test	CEM vs REM	REM

Test the hypothesis

The results of the model fit test can be seen in the Table 8.

Table 8. F Test

F-statistic	41.98546	Durbin-Watson stat	2.042103
Prob(F-statistic)	0.000000		
Dependent Variable: RD Method: Panel Least Squares			

Source: Processed data, Eviews 9.0 output

Based on the results shown above, the F-statistic value is 41.98546, while F table with α = 5%, df1 (k-1) = 5 and df2 (n-k) = 33 obtained F Table value of 2.50. Thus, F-statistic (41.98546) > F Table (2.50) and Prob(F-statistic) value of 0.000000 < 0.05, it can be concluded that the independent variables in this study consisting of Liquidity (CR), Board of Commissioners Size (BOC_SIZE), Proportion of Independent Commissioners (INDEP), Institutional Ownership (INST) and Managerial Ownership (MNJR) together have an influence on Risk Disclosure.

The percentage of coefficient of determination research models can be seen in the Table 9.

Table 9. R^2 Test

R-squared	0.971419	**Mean dependent var**	0.396231
Adjusted R-squared	0.948282	**S.D. dependent var**	0.077324
Dependent Variable: RD			
Method: Panel Least Squares			

Source: Processed data, Eviews 9.0 output

Based on the Table 9, the Adjusted R-squared value is 0.948282, meaning that the variation in changes in the rise and fall of Risk Disclosure can be explained by the independent variable in this study of 94.8282%, while the remaining 5.1718% is explained by other variables that were not studied in this study.

Partial variable testing to answer the research hypothesis can be seen in the Table 10.

Table 10. t Test

Variable	Coefficient	Std. Error	t-Statistic	Prob.
C	0.378839	0.051857	7.305439	0.0000
CR	-1.54E-05	3.72E-05	-0.414852	0.6825
BOC_SIZE	0.000419	0.005621	0.074490	0.9413
INDEP	0.041836	0.059584	0.702138	0.4903
INST	-0.056188	0.072801	-0.771807	0.4488
MNJR	0.154988	0.056868	2.725378	0.0127
Dependent Variable: RD				
Method: Panel Least Squares				

Source: Processed data, Eviews 9.0 output

The Effect of Liquidity on Risk Disclosure

Based on the results of the t test, the Liquidity variable proxied with the current ratio has a t-statistic value of -0.414852, while the table t value with a level of α = 5%, df (n-k) = 33 obtained t Table of 1.69236. Thus t-statistic Liquidity (-0, 414852) < t Table (1.69236) and Prob value. 0.6825 > 0.05, it can be concluded that the Liquidity variable in this study has no influence on Risk Disclosure. Thus, showing that the first hypothesis (H_1) of the study was rejected.

The Effect of Board of Commissioners (BOC_SIZE) Size on Risk Disclosure

Based on the results of the t test, the variable Size of the Board of Commissioners (BOC_SIZE) has a t-statistic value of 0.074490, while the table t value with a level of α = 5%, df (n-k) = 33 obtained t Table of 1.69236. Thus, t-statistic Size of the Board of Commissioners (BOC_SIZE) (0.074490), < t Table (1.69236) and Prob. 0.9413 > 0.05, it can be concluded that the variable Size of the Board of Commissioners (BOC_SIZE) in this study has no influence on Risk Disclosure. Thus, showing that the second hypothesis (H2) in this study was rejected.

The Effect of the Proportion of Independent Commissioners on Risk Disclosure

Based on the results of the t test, the variable Proportion of Independent Commissioners (INDEP) has a t-statistic value of 0.702138, while the table t value with a level of α = 5%, df (n-k) = 33 obtained t Table of 1.69236. Thus, t-statistic Proportion of Independent Commissioners (INDEP) (0.702138) < t Table (1.69236) and Prob. value 0.4903 > 0.05, it can be concluded that the variable Proportion of Independent Commissioners (INDEP) in this study has no influence on Risk Disclosure. Thus, showing that the third hypothesis (H3) in this study was rejected.

The Effect of Institutional Ownership on Risk Disclosure

Based on the results of the t test, the variables of Institutional Ownership (INST) and Risk Disclosure have a t-statistic value of -0.771807, while the table t value with a level of α = 5%, df (n-k) = 33 obtained t Table of 1.69236. Thus, the t-statistic of Institutional Ownership (INST) (-0.771807) < t Table (1.69236) and the value of Prob. 0.4488 > 0.05, it can be concluded that the variable of Institutional Ownership (INST) in this study has no influence on Risk Disclosure. Thus, showing that the fourth hypothesis (H4) in this study was rejected.

The Effect of Managerial Ownership on Risk Disclosure

Based on the results of the t test, the Managerial Ownership variable (MNJR) has a t-statistic value of 2.725378, while the table t value with a level of α = 5%, df (n-k) = 33 obtained t Table of 1.69236. Thus t-statistic Variable Managerial Ownership (MNJR) (2.725378) > t Table (1.69236) and value Prob. 0.0127 < 0.05, it can be concluded that the variable Managerial Ownership (MNJR) in this study has an influence on Risk Disclosure. Thus, showing that the fifth hypothesis (H5) in this study is accepted.

Discussion

Liquidity variable has no effect on Risk Disclosure, because the level of liquidity owned by the company is considered only as a benchmark in order to assess the company's performance and the company's ability to pay its short-term debt. Therefore, the level of liquidity owned by the company is not related to the disclosure of company risk. This shows that this study cannot find evidence of the influence of a company's liquidity on risk disclosure and in accordance with similar research which found that liquidity does not affect the completeness of company risk disclosure (Muslih & Mulyaningtyas, 2019; Natalylova, 2013; Setiyawati & Basar, 2017). This is different from the results of other research which showed that the level of liquidity (CR) has a significant effect on company risk disclosure (Soebyakto & Sinulingga, 2018; Viola et al., 2023). Board of commissioners in the company does not affect risk disclosure, because the small size of the board of commissioners will lack expertise and make agency costs quite high, thus affecting the board's ability to fulfill corporate governance responsibilities and making disclosure of risks disclosed not extensive. Another reason for the lack of influence on the size of the board of commissioners on risk disclosure is because the board of commissioners is tasked with overseeing the company as a whole, not only about risk disclosure within the company, and the larger the size of the board of commissioners, the greater the chance of internal conflicts, affecting communication and coordination and reducing the ability to carry out duties. The large size of the board of commissioners can also slow down the decision-making process because it has to unite various views and opinions of members, so the agency theory used cannot underlie the relationship between these variables. The independent commissioner has not understood and carried out his duties as an independent party in supervising, directing and evaluating the implementation of good corporate governance and strategic policies, so that the role of independent commissioners in manufacturing companies in Indonesia has not functioned properly (Darmadi, 2013; Karami & Sedigi, 2015; Sihombing & Pangaribuan, 2017). This may also be because the quality of the supervisory function is determined more by the quality and educational background of board members, rather than their level of independence. So that it has not been able to carry out the monitoring function effectively and has not increased risk disclosure in the company (Darmadi, 2013; Wijayanti et al., 2022).

Institutional ownership will not affect risk disclosure. The stakeholder theory used cannot underlie the relationship between these variables. Stakeholder theory in this study explains the relationship between institutional ownership and risk disclosure, where the large number of investors or outside shareholders with institutional ownership in the company is not followed by risk disclosure. The cause of the ineffect of institutional ownership can be explained by the fact that the company's management knows more about the condition of the company than the investors, so that the interests of investors in the company can be ignored by management, so that it will have an impact related to risk disclosure. In addition, because supervision and monitoring from institutional parties do not work well enough in the company, institutional parties who have interests cannot suggest matters related to risk disclosure and cannot reduce management actions to manipulate information about the risks disclosed (Doi & Harto, 2014; Febrianto & Khabib, 2021; Nurbaiti & Rynalda, 2023). The variable Managerial Ownership in this study has an influence on Risk Disclosure. This happens because companies that have high managerial ownership will make the supervision, they do stronger than investors. Meanwhile, based on the theory of agency companies with a large number of shareholders will encourage companies to reduce agency costs and agency conflicts, because the dual role of management in managing and supervising the running of the company, resulting in management will be more selective in making decisions for the company. The higher the managerial ownership in the company, the stronger the demand to identify risks that may be faced by the company, so that high managerial ownership is more likely to meet risk disclosure (Gunawan & Zakiyah, 2017; Hasibuan & Auliya, 2019; Sulistyaningsih & Gunawan, 2018).

4. CONCLUSION

Based on the results of data testing analysis and the results of discussions in the previous chapter on the effect of Liquidity (CR), Board of Commissioners Size (BOC_SIZE), Proportion of Independent

Commissioners (INDEP), Institutional Ownership (INST) and Managerial Ownership (MNJR) together have an influence on Risk Disclosure, several conclusions can be drawn including the following: (a) Liquidity (CR) does not affect the completeness of the company's risk disclosure; (b) The size of the Board of Commissioners (BOC_SIZE) does not affect the high or low disclosure made by the company; (c) The proportion of Independent Commissioners (INDEP) has no effect on Risk Disclosure; (d) Institutional Ownership (INST) has no effect on Risk Disclosure; (e) Managerial Ownership (MNJR) has a positive effect on Risk Disclosure.

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