

ABSTRACT

This study aims to analyze the influence of corporate governance and firm characteristics to existence of Risk Management Committee (RMC) and type of RMC, whether it is separated and combined with audit committee. Variables are break down into independent commissioner, meeting frequencies, ownership type, auditor reputation, size of subsidiaries, market risk, leverage, age, and company size. This study replicated prior study conducted by Subramaniam, et al. (2009) with some modification and elimination of variables.

The statistic method to test the hypotheses is logistic regression analysis. Sample are collected using random sampling included in eighty non-bank companies listed in BEI for 2008-2010. This study used agency theory, corporate legitimacy, and signal theory to explain linkage between variables.

This study showed that some independent variables have positive effect to the existence of RMC namely meeting frequencies, size of subsidiaries, and company size. While, independent variables that positively influence the existence of Separate RMC were meeting frequencies and company size.

Keywords : Risk Management, Risk Management Committee, Corporate Governance, Firm Characteristics