

ABSTRACT

The aim of this research is to examine the association between board of commissioner characteristics and firm characteristics with the existence of Risk Management Committee (RMC). There are two types of RMC in a company, the one that combined with the audit committee and seperated from the audit committee. Board of commissioner characteristic used in this research are proportion of independent commissioner and board size. While firm characteristics used in this research are auditor reputation, complexity, financial reporting risk, and leverage.

Data was collected by using a purposive sampling method towards non-bank financial companies listed in the Indonesia Stock Exchange in 2009 until 2010. There are 79 non-bank financial companies used as samples in this research. The data was analyzed by using logistic regression.

The results, based on logistic regression analyses, indicated that board size has significant association with the existence of RMC that combined with Audit Committee. While the proportion of independent commissioner, board size, auditor reputation, and financial reporting risk have a significant association with the existence of RMC that seperated from Audit Committee.

Keywords : Corporate Governance, Risk Management Committee, Board of Commissioner Characteristics, and Firm Characteristics.