Moderation Effect of Audit and Risk Management Committee Between Creditor Power and CSR Disclosure

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ABSTRACT

This study examines the influence of Creditor Power on Manufacturing businesses registered at the Indonesia Stock Exchange must disclose their corporate social responsibility in their annual reports. Creditor Power was utilized as an independent variable, CSR Disclosure was employed as a dependent variable, and Audit Committee and Risk Management Committee were used as moderating variables in this study. The study focused on 116 manufacturing businesses that were listed on the Indonesia Stock Exchange between 2015 and 2019. Purposive sampling was utilized in this study. Secondary data was utilized in the form of annual reports retrieved from the company's website or the Indonesia Stock Exchange's official website (IDX). Data was analyzed using the Warp PLS 7.0 software and the Structural Equation Model (SEM) technique with the Partial Least Square (PLS) method. (1) Creditor Power has a detrimental impact on the amount of Corporate Social Responsibility Disclosure, according to the findings. (2) The effect of Creditor Power and Corporate Social Responsibility Disclosure cannot be moderated by the Audit Committee as a moderating variable. (3) The Enterprise Risk Management Committee cannot moderate the influence of Creditor Power and CSR as a moderating variable.

Keywords: *Audit Committee, Corporate Social Responsibility Disclosure, Creditor Power, Profitability, Risk Management Committee.*

1. INTRODUCTION

Many changes have happened in the period of globalization, both on a national and worldwide basis. Dynamically, this also impacts the development of the business world, where business actors compete to have superior added value compared to other business actors. Competition in the business world that is getting tougher by the day can lead to irresponsible parties' many bad possibilities and criminal acts. Therefore, in every business activity, the government requires every company to carry out social and environmental responsibilities, as stated in Law Article 74 Number 40 of 2007 concerning Limited Liability Companies. Social responsibility is a concern program conducted by a corporation in the form of accountability to mitigate the impact of damage to the firm's internal and external environment caused by its operational operations. Social Responsibility is able to overcoming the problem of social inequality, especially for the communities around the company who are directly affected [1]. By implementing CSR, the company has contributed to sustainable development for all stakeholders by managing the impacts that may arise from its business activities. According to [2], CSR disclosure is a form of accountability for the company's CSR program. The importance of information in every decision makes CSR disclosure information required by the government.

Generally speaking, corporate social responsibility disclosures provided by firms are typically influenced by management to meet personal objectives. The audit committee is one of the independent parties that may be trusted to carry out this duty in order to boost CSR disclosure, supervision, and eliminate information asymmetry between management and stakeholders. The audit committee, a critical component of corporate governance, is tasked with overseeing financial and non-financial reporting and reducing the risk of information asymmetry [3]. It is the responsibility of the board of directors to establish a risk management committee. The board of commissioners oversees the risk management committee. In order to help the board of directors

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accomplish their responsibilities and exercise their authority in all elements of corporate risk management, it has been developed Committees for risk management are established by the board of directors. The board of commissioners oversees the risk management committee. In order to help the board of directors accomplish their responsibilities and exercise their authority in all elements of corporate risk management, it was created [4].

The corporation needs money for its operational activities, one of which is provided by creditors. Consequently, creditors are a user of financial statements since they are interested in deciding whether to lend money to a business. The strength of the stakeholders determines the extent to which they may influence company decisions. Stakeholders, including creditors, have a role to play in putting pressure on the corporation to release information on the company's overall performance. The creditor's faith in a company can be gained through environmental and social risk assessments in corporate social disclosure by demonstrating the company's responsibilities. By looking at the company's leverage ratio, [5] asserts that investors can judge the company's ability to manage its resources. When it comes to enhancing financial performance or other firm operations like CSR, the leverage ratio is an indicator of risk.

Corporate social responsibility disclosure is less likely to be made if a company has too much leverage [6][7][8][9]. According to [10], leverage has no effect on CSR disclosure. Researchers are interested in investigating the influence of creditor power on CSR disclosure in Indonesian manufacturing businesses listed on the Indonesia Stock Exchange (ISE) between 2015 and 2019. The ERM Committee and the Audit Committee are also included in this study as two additional moderators.

2. LITERATURE REVIEW & HYPOTHESIS DEVELOPMENT

2.1. Stakeholder Theory

In the stakeholder theory, the company does not only operate for the benefit of the company itself or is oriented to profit but must provide benefits to its stakeholders [11], because the support from stakeholders significantly affects the existence of a company [12]. CSR disclosure can be a way for companies to maintain good relations with their stakeholders and provide information about their economic, social, and environmental aspects. With CSR disclosure, it is hoped that stakeholders can fulfill their needs for company information [13]. In addition, with the company’s CSR program, it is hoped that there will be an increase in the welfare of employees, customers, and the community so that a good relationship can be established between the company and the surrounding environment [14]. The strategy to stakeholders is in the form of financial performance and the company's social performance. CSR is one of the company's strategies that is believed to provide satisfaction to the wishes of stakeholders. The better the CSR disclosure, the more satisfied stakeholders will be to tend to provide full support to the company for all company activities [13].

2.2. Legitimacy Theory

The relationship between businesses and society is the subject of this philosophy [15]. The legitimacy theory is founded on social relationships between a company and the community in which it works and uses its economic resources, which leads to the belief that this theory has various advantages in supporting a firm's existence [11]. Community legitimacy is the company's strategy to develop itself in the community [16].

To gain legitimacy from the community, the company carries out social responsibility efforts [17]. The acceptance of legitimacy shows that the company's performance is following the community's social values. Conversely, if the company's performance is not good/weak, it will affect the threat of social legitimacy, so that companies need to make disclosures made in the annual report [18]. CSR disclosure is also considered helpful in increasing, restoring, and maintaining the legitimacy that has been accepted by the community [19].

2.3. The Creditor Power has an Effect on Corporate Social Responsibility Disclosure

According to legitimacy theory, companies must disclose CSR so that the activities carried out by the company get support from the community and indicate the company's level of compliance [20]. CSR disclosure can gain legitimacy and positive value from the community where the company conducts social activities. In the stakeholder theory, CSR disclosure is influenced by pressure from various stakeholders. Environmental disclosure by the company will provide several benefits to various parties, including the interest of shareholders and stakeholders [21]. Creditors as external parties from stakeholders encourage companies to obtain a lot of information about the company's performance, such as economic, social, and environmental performance. According to [22], the level of CSR disclosure can be seen through financial performance from the company's debt position. Through the quality of the disclosures presented, it can be seen that the company shows its responsibilities. From the social risk analysis conducted by creditors, creditors will believe in providing capital for the company. Companies that have a lot of impact on the environment tend to publish about social responsibility more transparently. The purpose is to attract and get the attention of

stakeholders. [23]. Creditors talk about the company's financial performance, the environmental and social impacts of the companies they invest in. In addition, creditors are also observers of performance and pay attention to company activities and regulations [24].

H_1: The Creditor Power affects Corporate Social Responsibility Disclosure

2.4. The Creditor Power has an Indirect Effect on Corporate Social Responsibility Disclosure by Mediating Audit Committee

It is the responsibility of the Audit Committee to keep an eye on the company's overall financial and social health. The Audit Committee will evaluate the company's operations and how the company treats and is responsible for the surrounding environment. Although the role of the Audit Committee focuses on the preparation of financial statements, this role has been expanded due to pressure from stakeholders to add CSR disclosures. The implementation of IFRS, which aims to improve transparency and quality of financial reports, also strengthens the role of the Audit Committee in overseeing CSR disclosure [3]. The more the Audit Committee can be interpreted as an advantage, the more diverse expertise and views in oversight that lead to CSR disclosure [25]. The Audit Committee in this study refers to the number of members in the Audit Committee.

H_2: The Creditor Power has an indirect effect on Corporate Social Responsibility disclosure by mediating Audit Committee

2.5. The Creditor Power has an Indirect Effect on Corporate Social Responsibility Disclosure by Mediating Enterprise Risk Management Committee

CSR disclosure describes the company's activities in managing, maintaining, and positively impacting the environment and society. The more CSR disclosures indicate that the company's management can see the company's operational activities. CSR disclosures could be use by a company as a tool to increasing or reducing company’s risk exposure. CSR disclosure strengthens the trust of stakeholders, thereby reducing the company's risk [26]. Companies that disclose CSR can maximize the quality in the presentation of financial statements.

H_3: The Creditor Power has an indirect effect on Corporate Social Responsibility disclosure by mediating Enterprise Risk Management Committee

3. METHOD

The research method used in this study is Multiple Regression Analysis to determine the magnitude of the influence of Corporate Social Management as the dependent variable on Creditor Power as the independent variable.

3.1 Sample

Quantitative data from secondary sources, such as annual reports and CSR reports, was used in this study. These documents can be acquired from the company's website or the Indonesia Stock Exchange's official website (www.IDX.co.id). An investigation into the Indonesian stock market between 2015 and 2019 included 116 manufacturing companies registered on the Indonesia Stock Exchange. Purposive sampling was used in this study's sampling procedure (non-probability sampling). The criteria of an annual report used as a sample: (1) Annual report of manufacturing companies listed on the ISE. (2) Annual report for the period 2015-2019 and has been audited. (3) Companies that implement a risk management system. (4) Companies that have information about the Audit Committee in the annual report. (5) The annual report has complete data and is not corrupted. (6) The company did not IPO in the period under study.

3.2 Operational Variable & Definition

Multiple Linear Regression Analysis was employed as an analytical method in this study. Based on the description that has been presented, the research model in this study is as follows:

3.2.1 Independent Variable

The independent variable in this study is Creditor Power. Creditors were measured by leverage. Total debt divided by total assets is used to determine the leverage ratio [27].

3.2.2 Dependent Variable

Corporate Social Responsibility (CSR) is the dependent variable in this study. In CSR, firms are required to pay attention to the social environment in order to promote economic well-being and a sense of community. In implementing CSR programs, several parties are involved: companies, governments, community organizations, stakeholders, universities, and other parties involved [28]. CSR Disclosure plays an essential role in the life of a company. Suppose there is an incident committed by the company, such as a corruption scandal or accusations of damaging the environment. In that case, it can damage the company's good name and attract unwanted attention from stakeholders, the government, and even the mass media. For this reason, companies must be able to manage CSR disclosure properly for the sake of the sustainability of the company and its good name, especially in the eyes of stakeholders.

The disclosure of CSR information in the company's annual report or the Corporate Social Responsibility Index (CSRI) proxy based on GRI G4 with alternatives according to the core of 91 disclosure indicators is used to measure CSR disclosure. The scoring method used in GRI 4 by giving weight to each disclosure. CSR disclosure uses a dummy variable by assigning a value of 1 to each CSR disclosure item and 0 if the item is not disclosed. The scores of each item are summed to obtain the overall score of each company. The CSRI calculation formula is as follows [29]. The measurement of the Corporate Social Responsibility Disclosure determined as follows:

$$\textbf{CSRIj} = \sum Xij / nj \qquad (1)$$

Information:
CSRIj : Corporate Social Responsibility Disclosure Index of companies j.
Xij : dummy variable: 1 = if item i is disclosed; 0 = if item i is not disclosed.
nj : number of items for company j.

3.2.3 Moderating Variable

The Audit Committee is the first moderating factor. As part of the board of commissioners, the Audit Committee was established to oversee and control social responsibility [28]. The Audit Committee is tasked with increasing the efficiency of the company's operations through better monitoring and management. External auditors and independent auditors are part of Audit Committee's responsibilities, and the committee reviews their performance and working relationships. The Audit Committee is responsible for ensuring that the board of commissioners' duties and obligations are adequately carried out in terms of financial and social accountability (Otoritas-Jasa-Keuangan-No.55, 2015). The size of a corporation's audit committee is referred to as the number of audit committee members. In order to determine the size of an audit committee, a ratio is used. A company's audit committee members were compared to the minimum number of audit committee members in accordance with a government regulation issued by The Financial Services Authority No. 55/POJK.04/2015 on the establishment and execution of the audit committee. For the Audit Committee to be effective, it must have at least three members who are independent of the issuer or public corporation [30]. This is how the Audit Committee's performance is measured:

$$\textbf{Audit Committee} = \frac{\text{The Number of Audit Committee Members}}{3}$$

The second control variable is the Risk Management Committee. There is often a risk in the company to achieve its goals. The risk itself is defined as the potential for events that cause losses to the company, so the company needs to know the risks being faced to immediately carry out management to deal with them. The risk with the right action before it's too late. Improper risk management will cause losses to bankruptcy for the company. A Risk Management Committee is necessary for the company because this committee can provide full-time risk management supervision [31]. Although the Risk Management Committee and the Audit Committee perform comparable functions, the Risk Management Committee focuses solely on risk management inside the organization. The existence of the Risk Management Committee (RMC) uses a dummy variable. The calculation gives a value of 1 if the company has RMC and 0 for companies that do not implement RMC [32].

3.2.4 Control Variable

3.2.4.1. Firm Size

Firm size shows the company's size as seen from the total asset value in the financial statements as measured by the natural logarithm of the company's assets [33]. The firm's size is proxied by ln total assets so that the resulting data is normally distributed.

3.2.4.2. Profitability

ROR, or Return on Assets, is used in this study as a metric to gauge profitability (ROA). Companies that have a high ROA are considered to have the ability to generate large profits. The ability to pay off debt is also enormous, and the company will be more efficient [34]. The ROA calculation formula is as follows:

$$\textbf{Return on Assets} = \frac{\text{Earning After-Tax}}{\text{Total Asset}} \times 100\% \qquad (2)$$

3.2.4.3. Cash Holding

Cash Holding is cash owned by the company as cash used for investment in the company's physical assets which then the results are distributed to investors [35]. Cash Holding is essential because if the company has a lot of cash, it can cause problems such as funds that do not benefit the company. Still, on the contrary, if the company only has a little cash, other issues will also occur. Namely, the company will lack funds to develop its business [36]. Cash holding is measured in the following way:

$$\textbf{Cash Holding} = \frac{\text{Cash and Cash Equivalent}}{\text{Total Asset}} \times 100\%$$

4. RESULTS & DISCUSSION

4.1 Data Analysis

4.1.1 Descriptive Statistical Analysis

Table 1. Descriptive Statistical Analysis Test Table

Variable	N	Min	Max	Mean	St. Dev
Creditor Power	580	0.067	5.073	0.555	0.559
CSR	580	0.011	0.802	0.116	0.095
Audit Committee	580	0.667	1.667	1.020	0.121
ERM Committee	580	0.000	1.000	0.301	0.459
Firm Size	580	25.216	33.495	28.562	1.546
Return on Asset	580	-2.640	0.921	0.036	0.150
Cash Holding	580	0.000	0.765	0.097	0.114

Source: Processed secondary data, 2021

Table 1 above provides a general description of the description of the research variable data. The *Creditor Power,* which is proxied by Leverage Ratio, has the smallest value of 0.067 (precisely 0.0665) from PT Multi Prima Sejahtera TBK. The largest value of 5.073 is from PT Asia Pacific Fibers TBK. According to the average of 0.555, manufacturing enterprises in 2021 will have a 55.5 percent creditor power ratio in the 2015-2019 time period. The Creditor Power Variable has a high degree of data variance, as evidenced by the higher-than-average standard deviation of 0.559.

Corporate Social Responsibility Disclosure has the smallest value of 0.011 (precisely 0.0109) from PT Indospring TBK and the largest value of 0.802 from PT Impack Pratama Industri TBK. Manufacturing companies in 2021 will have a Corporate Social Responsibility Disclosure ratio of 11.6 percent in the 2015-2019 period if the average value is 0.116. The Corporate Social Responsibility Disclosure Variable's standard deviation is 0.095, which is lower than the mean value, indicating that the data variance is low.

Audit Committee has the smallest value of 0.667 from PT Martina Berto TBK and the largest value of 1.667 from PT Charoen Pokphand Indonesia TBK. The average value is 1.020, meaning that the manufacturing companies in 2021 in the 2015-2019 period have an Audit Committee ratio of 102%. The standard deviation value is 0.121, smaller than the mean value, meaning that the Audit Committee Variable has a low data variation.

Enterprise Risk Management Committee has the smallest value of 0.000 from PT Trias Sentosa TBK and the largest value of 1.000 from PT Barito Pacific TBK. The average value is 0.301, which means that the manufacturing companies in 2021 in the 2015-2019 period have an enterprise Risk Management Committee ratio of 30,1%. The Enterprise Risk Management Committee Variable has a significant data variance with a standard deviation of 0.459, which is larger than the mean value.

Firm Size has the smallest value of 25.216 from PT Primarindo Asia Infrastructure TBK and the largest value of 33.495 from PT Astra International TBK. The average value is 28.562, meaning that the manufacturing companies in 2021 in the 2015-2019 period have a Firm Size ratio of 2856.2%. The Firm Size Variable's standard deviation is 1.546, which is lower than the mean value, indicating that the data variance is modest.

Profitability proxied by Return on Assets shows the smallest value of -2.640 from PT FKS Food Sejahtera TBK and the largest value of 0.921 from PT Merck TBK. Manufacturing enterprises in 2021 in the 2015-2019 period had a Return on Assets ratio of 3.6 percent, according to the average value. Using the standard deviation of 0.150, the Return on Assets Variable has a significant degree of data variability.

Cash holding has the smallest value of 0.000 (precisely 0.0005) from PT Eratex Djaja TBK and the largest value of 0.765 from PT Tembaga Mulia Semanan TBK. The average value is 0.097, which means that the manufacturing companies in 2021 in the 2015-2019 period have a cash holding ratio of 9.7%. Since the standard deviation is 0.114, which is higher than the mean, the Cash Holding Variable exhibits a high degree of variability.

4.1.2 Outer Model

4.1.2.1. Significance of Weights Test

In the significance of the weight test, the formative indicator weight must show its significant value with its construct by looking at the p-value in the weights indicator table. The p-value must be equal to or less than 0.05 to meet the validity and reliability.

Table 2. Multicollinearity Test

CREDIT_POWER	< 0.001
CSR	< 0.001
AC	< 0.001
ERM_COMMITTEE	< 0.001
FIRM_SIZE	< 0.001
ROA	< 0.001
CASH_HOLDING	< 0.001
AC * CP	< 0.001
ERM * CP	< 0.001

Table 3. VIF

Variable	VIF
Creditor Power	1.558
Corporate Social Responsibility	1.107
Firm Size	1.097
Audit Committee	1.060
Enterprise Risk Management Committee	1.060
Return on Asset	1.304
Cash Holding	1.188
AC * CP	1.250
ERM * CP	1.490

A multicollinearity test in Table 2 was conducted to determine the relationship between indicators and whether the formative indicators have multicollinearity by knowing the value of VIF (variance indicator inflation). The latent variable block in Table 3 can be said free from multicollinearity if the value of VIF is less than 3.3.

4.1.3 Inner Model

The tests carried out on the inner model are:

4.1.3.1 The R-Squared (R2) Test

This study obtained a value of 0.128 from the R-Squared Test. R2 test determines the significance level or suitability of the relationship between the independent and dependent variables in linear regression. The value of 0.128 means that the independent variable (Creditor Power) affects the dependent variable (Corporate Social Responsibility) 12.80%. While the residual (100% - 12.80% = 87.2.%) influenced by other variables outside this regression equation or variables not examined. The magnitude of the effect of other variables is also known as an error (e).

4.1.3.2. The Q-Squared (Q2) Test

This study obtained a value of 0.141 from the Q-Squared Test. The model's ability to produce the observed values and its estimates of its parameters are both assessed using the Q2 test. The model's predictive value is demonstrated by the 14.1 percent value.

4.1.3.3. The Effect Size (F-Squared) Test

This study obtained a value of 0.023 from the F-Squared Test for Creditor Power, which means it has a weak influence. Creditor Power was moderated by Firm Size obtains F2 Test value of 0.012, which means it has a weak effect. ROA moderated creditor Power obtains an F2 Test value of 0.003, which means it has a weak influence. Cash Holding moderated creditor Power obtains an F2 Test value of 0.083, which means it has a weak effect.

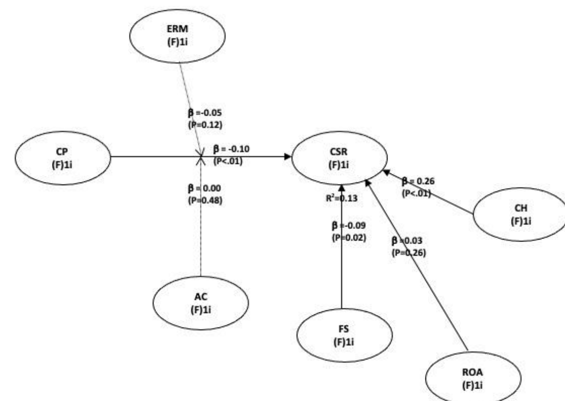

Figure 1 Hypothesis Test Result

4.1.3.4. The Goodness of Fit Test

The quality of the model in this study can be seen through the Fit and Quality index model, which shows an index to measure how well the relationship between variables is. Latent in the measurement model [37]. Three categories can be seen from comparing the Fit and Quality index model results with the fit criteria, namely accepted, ideal, and medium.

4.2 Hypothesis Test

Furthermore, the research hypothesis will be tested, the results of the hypothesis test (depict in Figure 1) as a

whole can be seen in Table 4 below Creditor Power has a negative correlation with Corporate Social Responsibility Disclosure, which is supported by the path coefficient value of -0.10 and the p-value of less than 0.01, as depicted in the graph above.

That indicates that Creditor Power may raise the value of corporate social responsibility disclosures if it is used effectively and efficiently. Creditors may require CSR disclosure based on the findings of this study. There is a correlation between the greater the corporate leverage ratio and the lower the CSR disclosure level. When a corporation's leverage ratio is low, the company has more control over company activities, including CSR efforts, because it has less commitments to creditors. On the other side, when the company's leverage ratio is large, the company's responsibilities to creditors are enhanced. High-leverage companies are subject to a higher degree of scrutiny from their creditors. Companies' CSR efforts would be restricted and their disclosure of CSR activities will be reduced [38]

Table 4 The Goodness of fit test

No.	Model Fit and Quality Indices	Fit Criteria	Analysis Result	Note
1	Average path coefficient (APC)	P < 0.05	0.088 ; P=0.008	Accepted
2	Average R-squared (ARS)	P < 0.05	0.128 ; P<0.001	Accepted
3	Average adjusted R-squared (AARS)	P < 0.05	0.119 ; P<0.001	Accepted
4	Average block VIF (AVIF)	Acceptable if <= 5, ideally <= 3.3	1.200	Ideal
5	Average full collinearity VIF (AFVIF)	Acceptable if <= 5, ideally <= 3.3	1.235	Ideal
6	Tenenhaus GoF (GoF)	Small >= 0.1, medium >= 0.25, large >= 0.36	0.358	Medium
7	Sympson's paradox ratio (SPR)	Acceptable if >= 0.7, ideally = 1	1.000	Accepted
8	R-squared contribution ratio (RSCR)=	Acceptable if >= 0.9, ideally = 1	1.000	Accepted
9	Statistical suppression ratio (SSR)	Acceptable if >= 0.7	1.000	Accepted
10	Nonlinear bivariate causality direction ratio (NLBCDR)	Acceptable if >= 0.7	1.000	Accepted

The Audit Committee cannot moderate the effect of Creditor Power on Corporate Social Responsibility Disclosure, proven by the path coefficient value of 0.00 and the p-value of 0.48. That proves that the number of Audit Committees does not influence the level of CSR disclosure because the Audit Committee is an independent party that performs an essential function in supervising the process of preparing financial statements, which aims to minimize the occurrence of information asymmetry to stakeholders [39].

The ERM Committee cannot moderate Corporate Social Responsibility Disclosure, proven by the path coefficient value of -0.05 and the p-value of 0.12. That proves that corporate risk management does not affect the level of Corporate Social Responsibility disclosure through managing debt levels rather than controlled

capital. This statement is supported by [9] who states that the leverage ratio, which measures the ratio of debt to capital owned by the company, does not affect corporate social responsibility activities. This difference occurs because [9] looks at the perception of leverage from the point of view of total liabilities compared to shareholder equity, while this study sees the perception of leverage from the point of view of total liabilities compared to the company's total assets. This difference in perception leads to different research results.

5. CONCLUSION

5.1. Conclusion

The following are the conclusions that may be derived from the discussion: Corporations' social responsibility is negatively influenced by creditor power, which has a significance value lower than 0.01 and a path coefficient lower than -0.14. Because the p-value was 0.33, greater than 0.005, the Audit Committee was unable to moderate CSR disclosure. A p-value of 0.04, which is less than 0.005, shows that the Risk Management Committee moderates CSR disclosure.

To put it another way, the R-Square value of the independent variable's ability to influence the dependent variable is quite low. In manufacturing businesses listed on the Indonesian Stock Exchange (ISE) from 2015 to 2019, it appears that other elements play a role in the disclosure of corporate social responsibility (CSR) information.

5.2. Implication and Limitation

There are certain drawbacks in this study. In the first place, there is only a limited amount of information about CSR disclosure, and the value obtained is based exclusively on the disclosure of CSR in the company's annual report. There is virtually little information about social responsibility that is available to the public on its own. According to Bank Indonesia Regulation Number 8/ 4/PBI/2006 concerning the implementation of Good Corporate Governance for Commercial Banks, regulations that require the existence of a Risk Management Committee in a company are more directed toward companies in the banking sector than those in the manufacturing sector. A third reason why the results are helpful in a relatively short period of time is because the amount of observation data only takes five years to qualify as a short timeframe. Last but not least, researchers in this study do not include characteristics such as corporate governance and the board of commissioners in their analysis of CSR disclosure.

Based on the conclusions that have been described, there are suggestions or input provided by the researchers. First, for further researchers the suggestion is to add a unit of observation and extend the period of observation by different periods. So that the results obtained can be better and more accurate. Other independent variables, such as corporate governance and the board of commissioners, which the researcher does not explore, can be used in additional research to examine corporate social responsibility. As a result of this, the Indonesia Stock Exchange's listed manufacturing companies should do more to implement and implement Corporate Social Responsibility initiatives in order to achieve their full potential. The disclosure of corporate social responsibility (CSR) is a significant metric for investors, as well Prior to investing in a firm, this becomes one of the variables that need to be taken into account. Third, this research is predicted to be valuable for creating studies on the relationship between creditor power, disclosure of corporate social responsibility, audit committee and enterprise risk management committee in the academic field. This research.

When it comes to audit committees, organizations should have a Risk Management Committee that has accounting and financial expertise—especially knowledge of risk management—to help the Audit Committee be more aware of the risks it is responsible for supervising. Risks that are faced by the company, and they have the ability to reduce them.

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