Moderation effect of Audit and Risk Management Committee between Creditor Power and CSR Disclosure

Retnaningtyas Widuri[1] Shania Claurencia[2*] Korina Sisilia Figo[3] Angelica Sylvia[4]

[1,2,3,41] *Tax Accounting, Accounting Department, Petra Christian University*
[*] *Corresponding author. Email: d12180173@john.petra.ac.id*

ABSTRACT

This study examines the influence of Creditor Power on Corporate Social Responsibility Disclosure in the corporate annual reports of manufacturing companies in Indonesia listed on the Indonesia Stock Exchange. This research used Creditor Power as an independent variable, CSR Disclosure as dependent, Audit Committee, and Risk Management Committee as moderating variables. The research object was 116 manufacturing companies listed on the Indonesia Stock Exchange in 2015-2019. This research used a purposive sampling method. Research data used secondary data in the form of annual reports downloaded through the company's website or the official website of the Indonesia Stock Exchange (IDX). Data analysis using Structural Equation Model (SEM) approach with Partial Least Square (PLS) method using Warp PLS 7.0 software. The result has shown that (1) Creditor Power negatively influences Corporate Social Responsibility Disclosure level. (2) Audit Committee as a moderating variable cannot moderate the effect of Creditor Power and Corporate Social Responsibility Disclosure. (3) The Enterprise Risk Management Committee as a moderating variable cannot moderate the effect of Creditor Power and Corporate Social Responsibility.

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

1. INTRODUCTION

In the era of globalization, many changes have occurred, both on a national and international scale. 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 implemented by the company in the form of accountability to overcome the impact of damage to the company's internal and external environment arising from the company's operational activities. 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.

In general, corporate social responsibility disclosures issued by companies often have management intervention to achieve personal goals. In order to increase the level of CSR disclosure, supervision and reduce information asymmetry between management and stakeholders, the audit committee becomes one of the independent parties who can be trusted to carry out this function. As one of the components of corporate governance that has an important role in the company, the audit committee is expected to carry out the supervisory position of financial and non-financial reporting and reduce the possibility of information asymmetry [3]. The establishment of a risk management committee is an effort to improve good corporate governance and the quality of supervision of the board of commissioners on the management of corporate risk management. The board of directors forms the risk management committee. The risk management committee is responsible to the board of commissioners. It is tasked with assisting the implementation of the duties and authorities of the board of directors related to all aspects of the implementation of corporate risk management [4].

In carrying out its operational activities, the company requires funds, one of which comes from creditors. Therefore, creditors being one of the users of financial statements, are interested in making decisions about providing funds for the company. The ability of stakeholders to influence company decisions depends on the strength of the stakeholders. Creditors as stakeholders have a role in pressuring the company to issue information about the company's entire performance, such as in the economic, social, and environmental fields. Through good corporate social disclosure, companies can demonstrate their responsibilities so that the creditor's trust to provide capital can be obtained through environmental, social risk analysis in corporate social disclosure. [5] argues that the stakeholders used leverage ratio to determine the company's ability to manage sources of funds. The leverage ratio also measures risk in investing and improving financial performance or other company activities such as CSR.

[6]–[9] found that leverage has a negative effect on the amount of corporate social responsibility disclosure. [10] found that leverage does not affect CSR disclosure. Inconsistent results in previous studies make researchers want to conduct research on Creditor Power on CSR Disclosure in manufacturing companies listed on the Indonesia Stock Exchange in 2015-2019, Creditor Power is proxied by the leverage ratio. This study also adds two moderating variables, namely the ERM Committee and the Audit Committee.

2. THEORETICAL FRAMEWORK AND HYPOTHESIS DEVELOPMENT

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].

Legitimacy Theory

This theory focuses on the interaction between companies and society [15]. The theory of legitimacy is based on social ties between the company and the community around the area where the company operates and uses its economic resources, which causes this theory to be believed to have several benefits in supporting a company's survival [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].

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].

H1: The Creditor Power affects Corporate Social Responsibility Disclosure

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

The Audit Committee plays a role in overseeing the company's performance, including the company's social performance. 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.

H2: The Creditor Power has an indirect effect on Corporate Social Responsibility disclosure by mediating Audit Committee

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.

H3: The Creditor Power has an indirect effect on Corporate Social Responsibility disclosure by mediating Enterprise Risk Management Committee

3. RESEARCH 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

This study used quantitative data that contains some secondary data sources in the form of annual reports and Corporate Social Responsibility reports, which can be downloaded through the company website or the official website of the Indonesia Stock Exchange (www.IDX.co.id). The sample in this study was 116 manufacturing companies listed on the Indonesia Stock Exchange in 2015-2019. The sampling technique in this study used the purposive sampling method (non-probability sampling). The criteria of an annual report used as a sample: (1) Annual report of manufacturing companies listed on the Indonesia Stock Exchange. (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

The analytical tool used in this research is Multiple Linear Regression Analysis. 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. The leverage ratio is calculated as total debt divided by total assets [27].

3.2.2 Dependent Variable

The dependent variable in this study is Corporate Social Responsibility (CSR). Corporate Social Responsibility is an obligation for companies to pay attention to the social environment for the sake of prosperity and shared interests. 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.

CSR disclosure is measured by the disclosure of CSR information presented in the company's annual report or Corporate Social Responsibility Index (CSRI) proxy based on GRI G4 with options according to the core of 91 disclosure indicators. 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:

CSRIj =

$\sum Xij / nj$

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 first moderating variable is the Audit Committee. When it comes to social responsibility disclosure, the Audit Committee is part of the board of commissioners and is formed to help oversee and control social responsibility [28]. The Audit Committee is responsible for improving supervision and control so that the company's activities are more effective. One of the responsibilities of the Audit Committee is to review the work results and work relations with external auditors and independent auditors. The Audit Committee must properly carry out the duties or responsibilities assigned by the board of commissioners in terms of financial and social performance (Otoritas-Jasa-Keuangan-No.55, 2015). The Audit Committee Size is a number of the audit committee in a company. Ratio is used for Audit Committee Size scale. This research used the proportion of the number of audit committee members of a company to the minimum number of audit committee members in accordance with the government Regulation of The Financial Services Authority No. 55/POJK.04/2015 about the establishment and guidelines for implementation of the audit committee. The Audit Committee at least consist of three members coming from Independent Commissioners and outside parties issuer or public company [30]. The Audit Committee's measurement is determined as follows:

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]. The Risk Management Committee and the Audit Committee have similarities in the supervisory function, but the Risk Management Committee is specialized in handling risk oversight within the company. 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

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.

Profitability

Profitability in this study is measured by Return on Assets (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:

Return on Assets =

$$\frac{\text{Earning After-Tax}}{\text{Total Asset}} \times 100\%$$

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:

Cash Holding =

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

4. Results

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

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. The average value is 0.555, meaning that the manufacturing companies in 2021 in the 2015-2019 period have a Creditor Power ratio of 55.5%. The standard deviation value is 0.559, greater than the mean value, meaning that the Creditor Power Variable has a high data variation.

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. The average value is 0.116, meaning that the manufacturing companies in 2021 in the 2015-2019 period have a Corporate Social Responsibility Disclosure ratio of 11.6%. The standard deviation value is 0.095, lower than the mean value, meaning that the Corporate Social Responsibility Disclosure Variable has a low data variation.

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 standard deviation value is 0.459, greater than the mean value, meaning that the Enterprise Risk Management Committee Variable has a high data variation.

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 standard deviation value is 1.546, smaller than the mean value, meaning that the Firm Size Variable has a low data variation.

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. The average value is 0.036, meaning that the manufacturing companies in 2021 in the 2015-2019 period have a Return on Assets ratio of 3.6%. The standard deviation value is 0.150, greater than the mean value, meaning that the Return on Assets Variable has a high data variation.

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%. The standard deviation value is 0.114, greater than the mean value, meaning that the Cash Holding Variable has a high data variation.

4.1.2 Outer Model

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.

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

Multicollinearity Test

A multicollinearity test 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 can be said free from multicollinearity if the value of VIF is less than 3.3.

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

4.1.3 Inner Model

The tests carried out on the inner model are:

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).

The Q-Squared (Q2) Test

This study obtained a value of 0.141 from the Q-Squared Test. Q2 test measures how well the observed values are generated by the model and also its parameter estimates. The value of 14.1% illustrates that the model has a predictive relevance value.

The Effect Size (F-Squared) Test

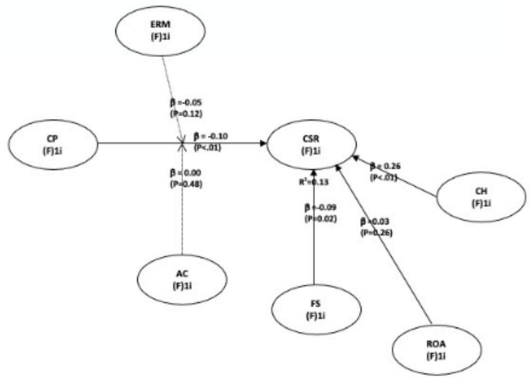
This study obtained a value of 0.023 from the F-Squared Test for Creditor Power, which means it has a weak influence. Creditor Power was moderated by Firm Size obtains F2 Test value of 0.012, which means it has a weak effect. ROA moderated creditor Power obtains an F2 Test value of 0.003, which means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

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.

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

4.2 Hypothesis Test



Picture 2. Hypothesis Test Result

Based on the picture above, it can be concluded that:

Creditor Power has a negative relationship to Corporate Social Responsibility Disclosure and has a significant effect, proven by the path coefficient value of -0.10 and the p-value of less than 0.01.

That proves that if Creditor Power is carried out effectively and efficiently, it can increase corporate social responsibility disclosure value. Based on the results of this study, there are indications that creditors need CSR disclosure. The higher the level of the corporate leverage ratio, the lower the level of CSR disclosure. The company's obligations to creditors are low when the company's leverage ratio is low; this causes the company to have higher authority over company activities, including CSR activities. On the other hand, the company's obligations to creditors are increased when the company's leverage ratio is high. Companies that have a high level of leverage tend to get more supervision from creditors. CSR activities carried out by companies will be limited and result in less disclosure of CSR activities [38]

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, Implication, and Limitation

5.1. Conclusion

The conclusions that can be drawn from the discussion that has been carried out are as follows:

Creditor Power has a negative and significant effect on corporate social responsibility indicated by the significance value obtained from the Creditor Power variable of < 0.01 and the path coefficient of -0.14. The Audit Committee failed to moderate CSR disclosure because the p-value was 0.33, more than 0.005. The Risk Management Committee moderates CSR disclosure, as evidenced by a p-value of 0.04, less than 0.005.

The result shows that the independent variable's ability to influence the dependent variable has a small value of R-Square. It indicates that other factors influence corporate social responsibility disclosure in manufacturing companies listed on the Indonesia Stock Exchange from 2015 - 2019.

5.2. Implication and Limitation

There are some limitations in this study. First, limited information related to CSR disclosure, where the value obtained is only based on the disclosure of Corporate Social Responsibility in the company's annual report. The social responsibility report disclosed separately is very little. Second, The Risk Management Committee has not been widely implemented by companies in the manufacturing sector, and regulations that require the existence of a Risk Management Committee in the company are more directed to companies in the banking sector, based on Bank Indonesia Regulation Number 8/ 4/PBI/2006 concerning the implementation of Good Corporate Governance for Commercial Banks. Third, the amount of observation data only uses five years to be classified as a short period and causes the results to be useful in a relatively short time. The last, there are still some variables that also affect the Corporate Social Responsibility disclosure, such as corporate governance and the board of commissioners, that researchers in this study do not use.

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. In addition, further researchers can use several variables or add other independent variables that may affect corporate social responsibility, such as corporate governance and the board of commissioners, which the researcher does not discuss. Manufacturing companies listed on the Indonesia Stock Exchange should be more active in carrying out Corporate Social Responsibility programs to be realized properly and provide many positive benefits for the people around the company. Second, for investors, the disclosure of Corporate Social Responsibility is an important index. It becomes one of the considerations that need to be considered in assessing a company before investing in providing the expected return.

Third, for the academic field, this research is expected to be useful for developing studies on the relationship between Creditor Power, Corporate Social Responsibility Disclosure, Audit Committee, and Enterprise Risk Management

Committee.
The last, for companies, the Audit Committee, which has the duties and responsibilities in supervising the risks faced by the company, should be supported by the existence of a Risk Management Committee that has accounting and financial expertise, especially knowledge of risk management, so that the Audit Committee is more aware of risks. Faced by the company, and can minimize the risks that occur.

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