THE ROLE OF CORPORATE GOVERNANCE IN INCREASING RISK REPORTING: A COMPARATIVE STUDY OF EMERGING MARKETS COMPANIES

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Abstract

The purpose of this study is to explore the level of presentation of risk information reports called risk reporting (*RR*) in the annual reports of Indonesian and Malaysian non-financial companies. In addition, this study aims to empirically examine the role of corporate governance (CG) in presenting *RR* and compare its role in the two countries. The method used in this study is content analysis with 113 samples of Indonesian companies and 70 Malaysian companies. The results showed that the board of directors (*BD*) of Indonesian companies represented by the board of commissioners and independent commissioners and the boards of Malaysian companies represented by the board of directors and independent directors had the same role, in line with the research of Yubiharto and Rudianti (2021), and Yermack (1996). However, in Indonesia, it plays a role in increasing the number of *RR*s, while in Malaysia, it is the opposite. The results of this research are also preliminary evidence that there is a difference in the role of the CG structure, which is a two-tier and one-tier system.

Keywords: Risk Reporting, Corporate Governance, Board of Commissioners, Governance Structure, Emerging Market

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1. INTRODUCTION

The Association of Southeast Asian Nations (ASEAN) Economic Community (AEC) aims to be a driving force for economic integration among ASEAN countries. AEC is beneficial for ASEAN companies to expand market share coverage, investment flows, capital, and skilled labor, but it also has the consequence of increasing business competition among ASEAN companies. The business competition will be a risk and a threat to a company's sustainability. Risk is indeed an unavoidable element of every business. The risks faced are financial and

non-financial (bin Kiflee, bin Ali Khan, & Bosi, 2020). Company stakeholders need information on the company's risks to make appropriate business decisions to avoid losses due to these impacts. Risk information in this study is termed risk reporting (*RR*).

RR is important information for stakeholders in business decisions (Balachandran & Faff, 2015). *RR* is useful in increasing the function of the external monitoring mechanism to monitor the behavior of senior management (Eng & Mak, 2003), reducing investor uncertainty about the company's estimated future cash flows (Kothari, Li, & Short, 2009) and supporting the legitimacy and reputation of the company by maintaining the trust of various parties (Oliveira, Rodrigues, & Craig, 2011). The benefits and importance of risk information led to demands for interested parties for companies to present *RR* (Linsley, Shrives, & Kajüter, 2008).

The demand for *RR* presentations is not supported by regulations in many countries, including ASEAN countries; it is proven that risk reporting is still voluntary. The presentation of voluntary information depends on the willingness of the company's corporate governance (CG) (Seo, 2021). Many studies have revealed that CG positively relates to the presentation of voluntary information (Boshnak, 2021; Andrades, Martinez-Martinez, & Larrán Jorge, 2021; Maskati & Hamdan, 2017). The elements of CG include the board of commissioners, the board of independent commissioners, and the audit committee, which play an important role in implementing CG in the company (Ali, Liu, & Su, 2018) as well as functioning as supervision and providing advice to the board of directors (*BD*) to ensure that the company is managed by the objectives and the company. This supervisory function is also expected to play a role in the presentation of *RR*.

Several previous researchers have carried out previous research related to *RR*. Still, the focus of the previous research is more on linking *RR* with company characteristics such as company size (Elshandidy, Neri, & Guo, 2018), leverage (Amran, Manaf Rosli Bin, & Che Haat Mohd Hassan, 2009) and profitability (Mohobbot, 2005), and liquidity (Al Shammari, 2014). This study examines CG about *RR* in ASEAN countries, especially Indonesia and Malaysia. The emphasis on these two countries is because the two countries adhere to a different CG system, namely Indonesia's two-tier system, while Malaysia adheres to the one-tier system. This study examines whether different CG systems will provide different roles in the presentation of *RR*. In this context, this research's theoretical significance is to provide empirical evidence regarding the effects of corporate governance on risk reporting in emerging markets. Furthermore, the practical significance of this study is to provide a practical context regarding the effects and application of CG in two-tier and one-tier systems.

This paper is organized into several sections. Section 1 is an introduction that describes the problem and the significance of the research. Section 2 explains the literature used as the theoretical basis in this study. Section 3 describes research methods focusing on the techniques and approaches used to analyze research hypotheses. Section 4 is the result that describes the empirical findings of the data quality and the significance of the hypothesized variables. Section 5 of this study outlines the conclusions, theoretical and practical implications, limitations, and directions for further research.

2. THEORETICAL FRAMEWORK AND HYPOTHESES DEVELOPMENT

2.1. Board of commissioners and risk reporting

The meaning of risk has evolved. Pre–modern society, the risk is associated with actions that are considered uncontrollable. However, in the industrial revolution era and the discovery of probability and mathematical methodologies, the perception of risk has changed (Saggar & Singh, 2017; Salem, Ayadi, & Hussainey, 2019). Corporate risk can be defined as the loss of wealth expressed in a reduction of future earnings, cashflows, market share, or any other variable that reflects a negative impact (Domínguez & Noguera Gámez, 2014; Shah, 2022).

Elgammal, Hussainey, and Ahmed (2018) suggest a controversial debate in the literature about the role of the Board of Commissioners on disclosure. On the one hand, it states that a small number of board members is more effective in monitoring company managers, and therefore companies will disclose more information voluntarily (Yermack, 1996; Habtoor & Ahmad, 2017). However, on the other hand, the workload of individual members will increase, negatively affecting their ability to monitor managers effectively. On the other hand, a large number of board members are more likely to have diverse expertise than a smaller number of board members. It can increase supervisory effectiveness and ultimately encourage companies to increase voluntary disclosure. Appuhami and Bhuyan (2015) stated that the board of commissioners is tasked with ensuring the implementation of corporate strategy, accountability, and supervising management. A large number of members of the board of commissioners will make it easier to control and supervise the chief executive officer (CEO)/director (Fujianti, Aryani, & Damayanti, 2020; Zulfikar et al., 2020) so that the existence of the Board of Commissioners has an impact on the effectiveness of the supervisory and control functions within the company. Thus, the board of commissioners can affect the level of disclosure. Several previous studies have shown the role of the board of commissioners in voluntary disclosures such as corporate social responsibility (Dwekat, Seguí-Mas, & Tormo-Carbó, 2020; Jahid, Rashid, Hossain, Haryono, & Jatmiko, 2020). Research by Elshandidy and Neri (2015), and Elzahar and Hussainey (2012) prove that the board of commissioners has a significant role in risk reporting. Based on this description, the hypotheses are:

H1: The board of commissioners affects Indonesia's risk reporting.

H2: The board of directors affects Malaysia's risk reporting.

2.2. Independent board of commissioners and risk reporting

Risks are inherent in business ventures because risks must be managed so that there are no threats. Risk management is one of the internal controls for the company and is a fundamental element in business management. Risk reporting is also useful for monitoring risk and detecting potential problems so that they can take early action so that problems do not occur (Linsley, Shrives, & Crumpton, 2006).

The board of commissioners' main role is to evaluate managers' performance and avoid conflicts of interest. However, achieving this goal requires

the independence of the board of commissioners in overseeing the company's management. This independence can be achieved by the presence of an independent board of commissioners. Agency theory claims that the board of commissioners is one of the good corporate governance (GCG) mechanisms that play a role in increasing the company's disclosure (Al-Maghzom, Hussainey, & Aly, 2016; Ntim, Lindop, & Thomas, 2013; Saggar & Singh, 2017). And the presence of an independent commissioner will increase the effectiveness of the role. Htay, Rashid, Adnan, and Meera (2012) prove that a high proportion of the board of independent commissioners (*BDI*) is significantly related to the disclosure of social responsibility. Abraham and Cox (2007), and Barakat and Hussainey (2013) also show that *BDI* affects risk reporting. For this reason, the hypothesis is as follows:

H3: The independent board of commissioners affects Indonesia's risk reporting.

H4: Independent board of directors influences risk reporting in Malaysia.

2.3. Audit committee and risk reporting

Risk information is also useful for investors because it can help determine the company's risk profile, reduce information asymmetry, estimate market value, and determine portfolio investment decisions (Hassan, 2009). Several major scandals in the presentation of financial statements nationally in Indonesia and internationally in the last few decades have raised concerns about the process of presenting financial statements and the audit committee's role in it. The audit committee is required to disclose the authenticity of company information to external auditors and also convey the observations of external auditors to the board. Thus, independence from internal management is a must to maintain the integrity of the reporting process (Saha & Kabra, 2020; Turley & Zaman, 2007).

According to Turley and Zaman (2007), the audit committee is a committee that assists the commissioners in ensuring the effectiveness of the internal control system, and as a GCG mechanism, the existence of an audit committee helps improve internal control, acts as a means of reducing agency costs, and becomes a strong monitoring tool to increase disclosure (Li, Mangena, & Pike, 2012). In Indonesia, the audit committee (*AC*) members consist of at least three members. One of these members is an independent commissioner who also serves as chairman. The audit committee has a very important and strategic role in maintaining the financial statement preparation process's credibility because it is a monitoring tool for improving the audit verification function (Albawwat & Ali Basah, 2015). Several previous researchers have studied the role of the audit committee on risk reporting. Uzliawati et al. (2014) showed the effect of the audit committee on intellectual capital disclosure. Based on this, the hypothesis is as follows:

H5: The audit committee affects Indonesia's risk reporting.

H6: The audit committee affects Malaysia's risk reporting.

3. RESEARCH METHODOLOGY

The research population is manufacturing companies listed on the Indonesia Stock Exchange in 2019 and Bursa Malaysia. The sample in this study was determined based on purposive sampling with the criteria: a) presenting annual reports, b) presenting financial statements, and c) having complete data. Based on the sampling, 113 Indonesian companies were selected, and 70 Malaysian companies were selected.

In addition, this study also uses several hypothetical methods, including whether the board of commissioners, independent board of commissioners, and the audit committee affect risk reporting. This hypothetical method needs to be carried out in this study because the hypothetical method will also be one of the factors determining the final results of the study.

The research variables include the dependent, independent, and control variables. The summary of research variables can be seen in Table 1.

Table 1. Measurement of variables and operational variables

Variable	*Proxy*	*Measurement*	*Reference*
Dependent	Risk reporting (*RR*)	Number of risk elements reported in the annual report	Oliveira et al. (2011)
Independent	Board of commissioners/ Board of directors (*BD*)	Number of members of the board of commissioners/board of directors	Hermawan and Gunardi (2019)
	Independent board of commissioners/ Independent board of directors (*BDI*)	The number of members of the independent board of commissioners/independent board of directors is divided by the number of the board of commissioners/number of the board of directors	Purbawangsa, Solimun, Fernandes, and Rahayu (2020)
	Audit committee (*AC*)	Independent audit committee is divided by the number of audit committee board members	Contessotto and Moroney (2014)
Control variable	Company size (*SIZE*)	Logs total assets	Wen, Rwegasira, and Bilderbeek (2002)
	Leverage (*LEV*)	Debt equity (D/E) ratio is used to evaluate a company's financial leverage and is calculated by dividing a company's total liabilities by its shareholder equity	Alarussi and Alhaderi, (2018)

Source: Authors' processed data, 2021.

The relationship between GCG and *RR* variables with the control variables of firm size and leverage is operationalized as follows. Model 1 is an Indonesian company operation, and Model 2 is a Malaysian company, which are calculated by equation (1).

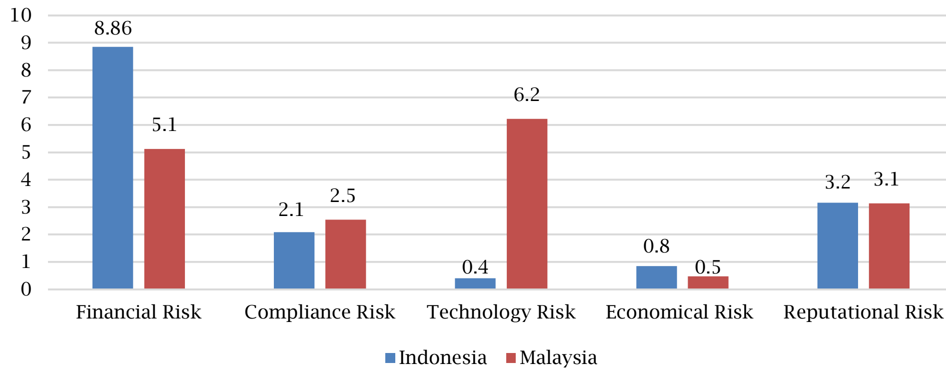
$$RR = \beta_0 + \beta_1 BD + \beta_2 BDI + \beta_3 AC + \beta_4 SIZE + \beta_5 LEV + e \quad (1)$$

4. RESULTS

4.1. Risk reporting characteristics

Figure 1 shows a comparison of the average risk reporting levels between Indonesian and Malaysian firms. The average level of *RR* in the financial risk category of Indonesian companies is 8.9, higher than Malaysia's 5.1. The compliance risk category of Indonesian companies is 2.1 lower than Malaysian companies at 2.5. The technology risk category of Indonesian companies was 0.4 lower than Malaysian companies' 6.2. The economic risk category of Indonesian companies is 0.8 higher than Malaysian companies by 0.5. The reputational risk category of Indonesian companies is almost balanced.

Figure 1. Comparison of risk reporting levels of Indonesian and Malaysian companies



Source: Authors' processed data, 2021.

4.2. Descriptive statistics

Descriptive statistics provide an overall picture of the variables used in the study. The research variables consist of the dependent variable, namely risk reporting (*RR*), and the independent variable, namely the board of commissioners (*BD*), independent board commissioners (*BDI*), and the audit committee (*AC*), as well as control variables of company size (*SIZE*) and leverage (*LEV*).

Table 2. Descriptive statistics of Indonesian companies

Variable	*N*	*Min*	*Max*	*Mean*	*Std. deviation*
RR	113	9.00	20.00	14.6637	2.43710
SIZE	113	4.94	8.69	6.3856	0.72584
LEV	113	0.20	3.51	1.1368	0.76306
BD	113	2.00	8.00	4.1327	1.69824
BDI	113	0.14	1.00	0.4070	0.11973
AC	113	0.20	0.50	0.3302	0.03337

Source: Authors' processed data, 2021.

Table 2 presents descriptive statistics for the 113 Indonesian samples. The results show the average value for *RR* is 14.6636, and the standard deviation value is 2.4371. It shows a medium means. This result also shows the distribution level of the data that is close to the data with the mean value in the estimated sample. The test results also show that the data distribution is close to the mean value for the various variables tested in this research. In more detail, the data distribution with this mean is shown by various variables: *SIZE* with mean = 6.63856, and std. dev = 0.72584; *LEV* with mean = 1.1368 and std. dev = 0.76306; *BD* with mean = 4.1327 and std. dev = 1.69824; *BDI* with mean = 0.407 and std. dev = 0.11973; and, *AC* with mean = 0.50 and std. dev = 0.03337. Likewise, the analysis shows that the data distribution level is close to the data with the mean value in the estimated sample of Malaysian firms (Table 3).

Table 3. Descriptive statistics of Malaysian companies

Variable	*N*	*Min*	*Max*	*Mean*	*Std. deviation*
RR	70	9.00	17.00	12.6286	2.10018
SIZE	70	10.36	23.67	18.1330	2.87515
LEV	70	0.08	2.01	0.6069	0.42539
BDI	70	0.29	0.80	0.5213	0.11203
BD	70	3.00	10.00	6.8571	1.70494
AC	70	2.00	6.00	3.2429	0.60038

Source: Authors' processed data, 2021.

4.3. Regression analysis results

The results of the regression test of Indonesian and Malaysian companies are presented in Tables 4 and 5. The results of this test also show the results of hypotheses testing.

Table 4. Results of hypotheses testing of Indonesian companies

Variable	*Coefficients*	*Std. error*	*t-statistic*	*Prob. (p-value)*
BD	0.666	0.139	4.796	0.000**
BDI	3.845	1.595	2.411	0.018*
AC	-1.014	5.873	-0.173	0.863
SIZE	0.680	0.326	2.085	0.039*
LEV	0.081	0.247	0.331	0.742
R-squared 0.132	0.367			
Adjusted R-squared 0.127	0.337			
Durbin-Watson stat 1.192	1.916			

Note: *significant at 5% level respectively, ** significant at 1% level respectively.
Source: Authors' processed data, 2021.

Multiple regression was used to test the relationship between the dependent, independent, and control variables. Several tests have been carried out to check the accuracy of the regression analysis, namely normality, heteroscedasticity, and multicollinearity. The results of the regression test for the control variable size showed significance at the 1% level both in Indonesian companies and Malaysian companies. It proves that size qualifies as a control variable in the study. The determination of size as a control variable in research is based on many studies that have proven the role of size in various levels of disclosure (Ratmono, Darsono, & Selviana, 2021). The leverage control variable has not succeeded in showing significance, meaning that this variable fulfills the control variable in the study.

Table 5. Malaysian company regression test results

Variable	*Coefficients*	*Std. Error*	*t-statistic*	*Prob. (p-value)*
SIZE	0.290	0.078	3.701	0.000**
BDI	-4.307	2.026	-2.125	0.037*
BD	-0.347	0.128	-2.707	0.009**
AC	0.336	0.371	0.904	0.369
LEV	-0.130	0.496	-0.261	0.795
R-squared 0.132	0.368			
Adjusted R-squared 0.127	0.318			
Durbin-Watson stat 1.192	1.700			

Note: *significant at 5% level respectively, ** significant at 1% level respectively.
Source: Authors' processed data, 2021.

The regression test results for Indonesian companies show that the p-value of the *BD* variable is 0.000, which is smaller than 0.001. It shows that *H1* is supported. It empirically proves the significant role of the *BD* variable on *RR* in Indonesia. The positive coefficient means that the more the number of *BD*, the more *RR* levels that must be presented. These results are by Zulfikar et al. (2020), Nkuutu, Ntayi, Nkote, Munene, and Kaberuka (2021), Alshirah, Abdul Rahman, and Mustapa (2020), and Ratmono et al. (2021), which state that the board of commissioners affects risk reporting. The study results are inconsistent with the research conducted by Khandelwal, Kumar, Madhavan, and Pandey (2020), which states that the board of commissioners does not affect *RR*.

The role of the board of commissioners towards *RR* in Indonesia shows that the greater the number of members of the board of commissioners in a company will provide more optimal supervision of the CG implementation process so that the company will disclose the company's risks in a better, complete, and informative manner (Fujianti et al., 2020). A large number of commissioners will create a mix of skills among its members, further increasing the accuracy of supervision and control of the company's management. The larger the size of the board of commissioners means that the more people think about the risks faced by the company, the greater the company's ability to overcome threats from these risks (Suhardjanto & Dewi, 2011).

The results of testing the *H2* hypothesis show that the significant level of the *BD* variable is 0.009, which is smaller than 0.05. The test results show that *H2* is supported. These results prove the significant role of *BD* on *RR* in Malaysia. The coefficient value is negative, meaning the presence of *BD* will reduce the *RR* in Malaysia. The results of the study are in line with Habtoor and Ahmad (2017). The negative role of *BD* is possible because, according to Jensen (1993), when the size of the *BD* exceeds seven or eight members, it becomes less effective and more prone to values, favoritism, and sacrifices of truth and honesty to make it more easily controlled by the CEO or other controlling group. Malaysian companies can be used as evidence because the average number of *BD* members is 6.85 or rounded up to 7 members. In addition, Malaysia adheres to a one-tier system in the CG structure. This CG structure allows board members to play dual roles, namely as the board of commissioners and the board of directors or so-called CEO duality. Companies that combine the responsibilities of board members as management (directors) with controllers (commissioners) tend to disclose less information (Gul & Leung, 2004). Besides, the presentation of *RR* requires costs, and these costs become the company's burden which can reduce company profits so that investors respond negatively (Ahmad, Muhammad, & Narullia, 2021).

The regression test results showed that

the p-value of the *BDI* variable was 0.018 (see Table 4), which was smaller than 0.05. It shows that *H3* is supported and empirically proves the significant role of the *BDI* variable on *RR* in Indonesia. A positive coefficient means that the higher the number of *BDI*, the more *RR* levels must be presented. This result is to the research conducted by Alkurdi, Hussainey, Tahat, and Aladwan (2019), which stated that *BDI* affected risk reporting. The study results are inconsistent with research conducted by Mukhibad and Aji (2020) which states that *BDI* does not affect *RR*.

These results support the theory of legitimacy. The legitimacy theory explains that *BDI* is part of the *BD*, which is collectively responsible for supervising, advising the directors, and ensuring the CG mechanism is running. *BDI* also plays a role in supervising the presentation of information related to company risks to stakeholders (Ntim et al., 2013; Ologbenla, 2021). Thus, the presence of *BDI* will increase important information for stakeholders, including information on risks faced by the company. It is supported by Saggar and Singh (2017), who states that companies that will present more information are companies with high levels of independent board members. The results of this study are also by the agency theory and stakeholder theory which show that the presence of an independent board plays an important role in resolving agency problems between managers and shareholders because the independent board is a representative of the parties with an interest in the company, especially the shareholders (Ahmad et al., 2021).

The regression test results show that the p-value of the *BDI* variable is 0.037 (see Table 5), which is smaller than 0.05. It shows that *H4* is supported and means that the *BDI* variable plays a significant role in *RR* in Malaysia. A negative coefficient means that the greater the number of *BDI*, the lower the *RR* level that must be presented. The study's results align with the results of Elgammal et al. (2018). The results of the study contradict agency theory, where the theory requires the disclosure of information to reduce information asymmetry. The *BDI* study about the *RR* level needs to be reviewed from different perspectives because the factors that influence the risk disclosure problem may be caused by other factors not examined in this study (Darussamin, Ali, Ghani, & Gunardi, 2018; Asif, 2021).

The regression test results showed that the p-value of the audit committee (*AC*) variable was 0.863 (see Table 4), which was greater than 0.05. It shows that *H5* is not supported. The rejection of *H5* proves that the *AC* variable has no significant role in *RR* in Indonesia. The regression test results showed that the p-value of the *AC* variable was 0.369 (see Table 5), which was greater than 0.05. This shows *H6* is not supported. The rejection of *H6* proves that the *AC* variable has no significant role in *RR* in Malaysia. This study's results align with the results of research by Fujianti et al. (2020), and Ullah (2018), which examines the subject but focuses on financial companies. The results of this study contradict the results of research by Yubiharto and Rudianti (2021), which stated that there was a role for *AC* on the level of *RR*. The audit committee does not affect *RR* because the duties and responsibilities of the audit committee have not been carried out properly, and the role of the audit committee is less than optimal in carrying out the supervisory and control functions of the company's management so that the number of audit committees is considered unable to guarantee the effectiveness of the audit committee's performance in conducting supervision to risk reporting (Dewi, Young, & Sundari, 2014).

The results also showed the importance of control variables. Company size (*SIZE*) as one of the control variables is empirically proven to affect the level of disclosure. This variable plays an important role in influencing the level of disclosure. This is in line with previous research. The relationship between size and level of disclosure, including risk information, has been found to have a significant effect by previous studies (Khandelwal et al., 2020; Keong, 2020; Boshnak, 2021; Seo, 2021). Sandhu and Singh (2019), and Orazalin (2019) also found a relationship between size and level of disclosure. Moreover, leverage as a control variable in this study significantly affects the level of disclosure. This is consistent with previous research. Previous literature found a relationship between leverage and the level of disclosure (Sandhu & Singh, 2019; Pattawe et al., 2022; Katarachia, Pitoska, Giannarakis, & Poutoglidou, 2018). Farooq, Zaman, Sarraj, and Khalid (2021) showed that the presentation of voluntary information requires additional costs, so companies with high leverage tend to reduce disclosure.

5. CONCLUSION

The results show an equal role between the board of commissioners of Indonesian companies represented by the board of commissioners and independent commissioners and the board of Malaysian companies represented by the board of directors and independent directors. Furthermore, the findings show their significant role in increasing the number of *RR*s in Indonesia, while the opposite finding is estimated in the context of the Malaysian sample. Furthermore, this finding also underscores the different roles of the corporate governance structure in the two-tier system in Indonesia and the one-tier system in Malaysia.

Specifically, the results of hypotheses testing show the significant influence of the board of commissioners and the independent board of commissioners on risk reporting on the sample companies in Indonesia. The findings also empirically prove the influence of the board of directors and the independent board of directors on risk reporting in the sample in Malaysia. However, the results show that the relationship between the audit committee is not supported in risk reporting, both in Indonesia and Malaysia.

In addition, the findings from the Malaysian sample reveal that *BD* and *BDI* have a significant role. However, regarding the influence of CG, it plays a positive role in the context of the Indonesian sample. It means that the presence of CG will increase the *RR*. Meanwhile, in Malaysia, the results show the opposite effect. Also, it raises an interesting point for further investigation, especially the maximum number of members of the board of commissioners that can cause it to function effectively. The results of this study are also preliminary evidence that there are differences

in the role of the CG structure, namely the two-tier system and the one-tier system.

These results theoretically underline the importance of the risk reporting dimension as an inherent part of GCG that needs to be carried out by the company's directors and commissioners. Practically, this finding has implications for the need for the board of directors and commissioners to increase their role in good governance according to the system in each country. In addition, another implication that is exposed is the need for the involvement of the audit committee in risk reporting.

Although this comparative analysis between Indonesia and Malaysia involved a large number of public companies as a sample in both countries, the limitation of this study is that the test was only carried out with a cross-sectional model, with sampling only in 2019. As a result, the longitudinal effect could not be estimated. For this reason, further research is expected to examine in depth the role of directors, commissioners, and audit committees in Indonesia and Malaysia with a time series model. Therefore, further research is expected to expand the number of samples.

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APPENDIX

Table A.1. Risk reporting criteria

Financial risks	1. Information about liquidity level? 2. Information about interest rates? 3. Information about foreign exchange rates? 4. Information about the cost of capital? 5. Information on access to the capital market? 6. Information about long-term debt? 7. Information about the risk of default? 8. Information about solvency risk? 9. Information on equity price risk? 10. Information on commodity risk?
Compliance risks	1. Information on litigation matters? 2. Information about compliance with regulations? 3. Information on compliance with industry codes? 4. Information about compliance with the voluntary code? 5. Information on compliance with corporate governance recommendations?
Technology risks	1. Information about data management? 2. Information about the computer system? 3. Information about the privacy of the information stored on the customer? 4. Information about software security?
Economic risks	1. Information about the nature of competition? 2. Information about macroeconomic events that could affect the company?
Reputational risks	1. Information about environmental issues? 2. Information on ethical issues? 3. Information on health and safety issues? 4. Information on lower/higher stock or credit ratings?