

ABSTRACT

The purpose of this study was to determine the effect of the characteristics of the risk monitoring committee consisting of meeting attendance levels, gender diversity, financial expertise, number of members, and independency on financial statement manipulation with financial performance as mediation.

This study uses a purposive sampling method using data from non-financial companies listed on the Indonesia Stock Exchange between 2013 and 2019. The data is processed using SPSS version 21. The results of this study indicate that the number of members of the risk monitoring committee has a positive effect on financial performance. Financial performance has a positive effect on financial statement manipulation. Financial performance positively mediates the number of members of the risk monitoring committee on manipulation of financial statements.

The conclusion of the results of this research is that the number of risk monitoring committee members in non-financial companies in Indonesia is able to have a positive impact on financial performance, but because the larger number of members is still only focused on mitigating risks that have the potential to harm financial performance, and still have not touched on the supervisory aspects related to financial statement manipulation, this has made financial performance positively mediate between the number of members of the risk monitoring committee on financial statement manipulation.

Keywords: Risk Monitoring Committee, Financial Performance, Financial Report Manipulation

