

ABSTRACT

This study aims to examine the effects of institutional ownership and audit quality on risk disclosure quality, as well as to examine the role of audit quality in moderating the effect of institutional ownership on risk disclosure quality in manufacturing companies listed on the Indonesia Stock Exchange during the 2022–2024 period. Risk disclosure quality is measured using the Risk Disclosure Quality Index (RDQI), which consists of four indicators: relevance, accurate representation, ease of understanding, and comparability. Institutional ownership is measured based on the proportion of institutional stock ownership, while audit quality is measured using dummy variables for Big Four and non-Big Four accounting firms. This study uses firm size, leverage, and profitability as control variables. The research sample was obtained through purposive sampling, resulting in 248 companies with a total of 744 observations. The analytical methods used were panel data regression and Moderated Regression Analysis (MRA) with a Fixed Effects Model approach and Robust White Diagonal estimation.

The results indicate that institutional ownership has a positive and significant effect on the quality of risk disclosure. Audit quality does not have a significant effect on the quality of risk disclosure. Furthermore, audit quality was not found to moderate the effect of institutional ownership on the quality of risk disclosure. These findings suggest that institutional ownership plays a role in promoting improvements in the quality of risk disclosure, whereas audit quality has not been shown to strengthen this relationship among the manufacturing firms included in the study sample.

Keywords: quality of risk disclosure, institutional ownership, audit quality, RDQI, manufacturing.

