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The Effect of Good Corporate Governance, Enterprise Risk Management, and Financial Distress on Company Value: Study on the Indonesia Stock Exchange and the Stock Exchange of Thailand

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Abstract---Banking companies have undergone many changes in the past few decades with structural and technological improvements to be able to face the challenges that will come. In recent years, the value of companies in the banking sector on the Indonesia Stock Exchange (IDX) and on The Stock Exchange of Thailand (SET) has experienced a fluctuating cycle caused by anomalous conditions, namely the occurrence of a pandemic that affects financial conditions throughout the world excluding Indonesia and Thailand. The purpose of this study was to see the effect of good corporate governance, enterprise risk management and financial distress on firm value. The sample used in this study is the financial statements of companies listed on the Indonesia Stock Exchange (IDX) and The Stock Exchange of Thailand (SET). The technique of determining the sample is using the non-participant observation method with a total sample of 45 banking companies on the IDX and 11 banking companies in SET. The data analysis technique used panel data regression.

Keywords---audit committee, board directors, enterprise risk management, financial distress, firm value.

Introduction

The value of the company is one of the benchmarks for investors in seeing the company's performance from year to year. One way to determine the company's performance can be seen from the analysis of financial statements in a period. The value of the company is reflected in the price of the company's stock, the higher the stock price, the signal an increase in the value of the company. The higher the value of the company, it will attract the attention of investors to invest their shares in the company. Firm value reflects the assets owned by the company (Alfinur, 2016).

Financially, the performance of a company can be assessed through the information disclosed in the financial statements. Periodic financial reports are prepared by management as a form of accountability to company owners and other interested parties for the company's performance. The category of companies that are attractive for potential investors to invest if the company's performance is considered satisfactory prospectively, so that the value of the company becomes the main goal of management. The measurement of company value used in this study is Tobin's Q because as a consideration variable, performance measurement using Tobin's Q is at least able to provide an overview of the company's fundamental aspects and market views of the company (the extent to which outside parties including investors give an assessment of the company).

Basically the banking industry plays an important role in supporting the real sector of society which is oriented towards business and profit. The banking sector is assumed that the management of the banking sector has a fairly high tendency to engage in the practice of information asymmetry and the complexity of business transactions when compared to the non-banking sector (Andreas and Vallelado, 2008). In comparison, Indonesia adopted and modified Thailand's way of implementing GCG principles. This is an important reminder for Indonesia's economic recovery (Pamungkas et al., 2017). Banking companies have undergone many changes in the past few decades with structural and technological improvements to be able to face the challenges that will come.

The following is Figure 1 which shows the comparison of company value in the banking sector in Indonesia and Thailand in 2016-2020.

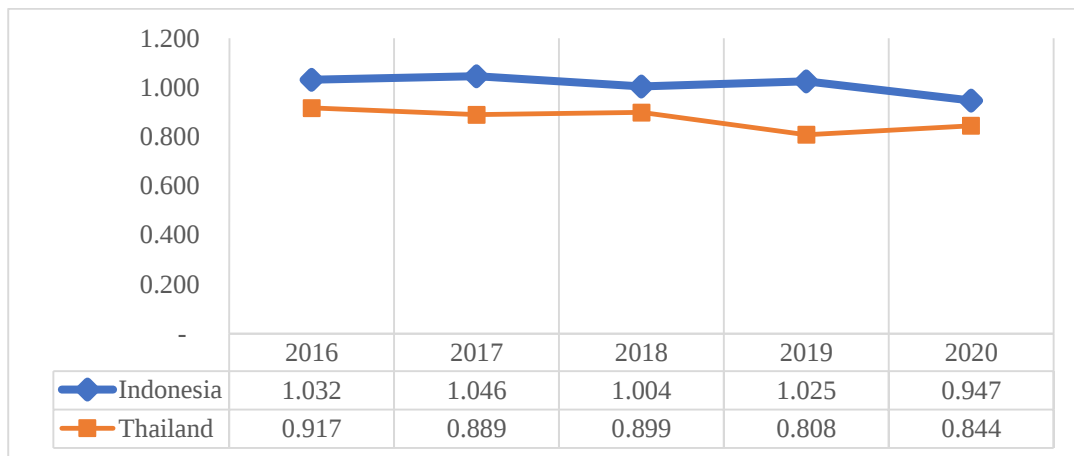


Figure 1. This shows the comparison of company value in the banking sector in Indonesia and Thailand in 2016-2020

From Figure 1. above, it can be seen that the value of companies in the banking sector tends to fluctuate from year to year. In 2016 to 2018 the condition of the company's value in Indonesia and Thailand did not experience significant changes. Then, entering the year 2019-2020 where there was an anomalous condition, namely the occurrence of a pandemic that affected financial conditions throughout the world, including Indonesia and Thailand. This can be seen in Figure 1. where the movement of company value began to decline in Thailand in 2019, then Indonesia experienced a decrease in company value in 2020. This makes researchers want to evaluate the comparison of the company value of the two countries with the variables used.

In 2020 Bangkok bank acquired Permata Bank shares, this was done to increase the company's value in the long term. According to Bangkok Bank, this acquisition is in line with the company's strategy to become a company with strong management and team that will add value to Bangkok bank Together with Permata Bank (www.kabarsiger.com). This is because Thailand is a regional leader with a relatively comprehensive framework and achieved high levels of compliance in several key areas. The analysis also reveals that corporate governance can increase investor confidence and protect the rights of investors, especially non-majority shareholders, increase board professionalism, and promote corporate transparency.

Information related to the financial position and work performance of the company in a certain period is reflected in the financial statements. There are several business actors who make one of their companies a go public company. Go public companies are managed by separating the ownership function from the management or managerial function. Jensen and Meckling (1976) state that in agency theory, agency relationships arise when one or more people (principals) exert decision-making authority to agents. In agency theory, principals are shareholders/owners/investors, while agents are management that manages the owner's assets in the company. According to Michael C. Jensen and Meckling in Agus Sartono, conflicts that occur between groups or agency problems are

conflicts that arise between owners, employees and company managers where there is a tendency for managers to prioritize individual goals rather than company goals. This causes a conflict of interest, as a result of this incident, agency costs arise. The agency costs include the costs of establishing a good financial information system; the cost of a public accountant to audit financial statements to prevent fraud, providing incentives to management including employees, appointing commissioners from outside the company so that they are neutral, management supervision costs, and so on.

Agency theory emerged as an approach used to analyze and resolve various agency problems that arise due to differences in interests in the company. The emergence of agency conflicts is because management does not directly feel the consequences of mistakes in making business decisions that have an impact on achieving company value. There needs to be good corporate governance to minimize agency conflict and maintain the company's survival. Corporate governance is one way that companies can carry out good governance by controlling and supervising the behavior of company executives in order to protect the interests of company owners or shareholders. According to Anggrahini et al (2018), company value is a description of the state of a company, where there is a special assessment from potential investors on the good and bad financial performance of the company which will affect the value of the company. Every company that has gone public will publish its company's financial statements. Previous research has researched a lot about the relationship of variables that can affect firm value. The variables used in this study are the board of directors, audit committee, enterprise risk management and financial distress.

Corporate governance is an important part in managing a company that has the principles of transparency, accountability, responsibility, independence, and fairness so that companies with good governance should be able to reduce agency problems. There are two mechanisms to create good corporate governance, namely internal and external mechanisms. Internal mechanisms involve company owners and managers such as the Board of Commissioners, Managerial Ownership, and Ownership Concentration. External mechanisms involve interested parties outside the company such as the use of debt from lenders contained in the company's leverage. The Corporate Governance mechanism is an important part in aligning the interests of shareholders and management.

Good corporate governance mechanisms can minimize agency conflicts, thereby reducing agency costs and improving the company's financial performance. In this study, the corporate governance mechanism that will be studied consists of the proportion of the board of directors and the proportion. The board of directors is one of the indicators between the parties implementing operational activities, management and representing both internal and external institutions. Research conducted by Amyulianthy (2012) and Fintreswari (2017) found that the board of directors has a positive influence on firm value. The audit committee's task is to support the duties of the commissioners in determining accounting policies, carrying out monitoring actions within the institution, and determining the financial reporting system. Research conducted by Handayani (2017) and rivandi (2020) found that the audit committee had a positive influence on firm value.

Disclosure of information in the financial statements must be adequate so that it can be used as a basis for decision making so as to produce accurate and appropriate decisions. Information disclosed in the company's financial statements can be grouped into two, the first is mandatory disclosure and voluntary disclosure. Enterprise Risk Management (ERM) is a disclosure of risks that have been managed by the company or disclosure of the company's efforts to control risk (Astuti, 2018). Risks cannot be completely avoided and eliminated, but with ERM, risks can be managed so that they are minimized. Market knowledge about good news information in the form of ERM will have an impact on investors in the form of positive reactions so that stock prices and stock trading volumes are expected to increase. Good risk management and disclosure to the public in addition to reducing the level of risk and uncertainty faced by investors also helps in controlling management activities. Research conducted by Handayani (2017) found that enterprise risk management has a positive influence on firm value.

Currently, there are two standards used by organizations in the world, namely the Committee of Sponsoring Organizations of the Treadway Commission (COSO) – Enterprise Risk Management (ERM) and the Integrated Framework and The International Organization for Standardization (ISO) 31000. The National Standardization Agency (BSN) Indonesia has adopted the ISO standard into the Indonesian National Standard. SET's Board of Governors establishes a company risk management policy with International standards to manage all operations effectively. ISO 31000 is a generic risk management standard consisting of three elements, namely principles, frameworks, and processes. The results of research by Devi et al. (2017) show that enterprise risk management disclosure in the annual report can be a strategy to increase company value. However, Baxter et al. (2013) stated that the quality of enterprise risk management has a positive and significant effect on firm value only during the financial crisis.

With good company activities, it will be able to provide profit for the company, where the profit is used for the welfare of both employees, stakeholders, owners of capital from the company, both stockholders or owners of the company itself. Financial distress is a broad concept consisting of several situations in which a company faces financial difficulties. Common terms to describe the condition are bankruptcy, default, inability to pay debts, and default. Insolvency in bankruptcy indicates a negative net worth. Information and early warning models are needed to anticipate the occurrence of financial difficulties, because this model can be useful as a means of identifying the occurrence of financial difficulties. An analysis of the symptoms of bankruptcy must be carried out, in order to anticipate the occurrence of bankruptcy in the future. The decline in company performance ultimately affects the company's overall profit. The decline in company profits is allowed to have an impact on the possibility of financial distress (Ardalan and Askarian 2014; Pour, Ghanbari, and Shidinavi, 2014; Mustika et al., 2018; and Hasugian 2018). Therefore, financial distress is an important problem for companies to pay attention to and anticipate. This is because financial distress affects firm value (Siahaan, 2018; Tanujaya, Semuel, and Devie, 2017; Kanyugi, 2016; and Ndicu, 2018).

Based on the empirical facts (gap phenomenon) that occurred as shown in Figure 1 above, it is necessary to study the value of the company to find out the comparison of the Indonesia Stock Exchange (IDX) and the Stock Exchange of Thailand (SET) because among other ASEAN countries the cooperative relationship between Indonesia and Thailand is a very strong market. This is in accordance with Setiawan's (2012) research which examines the openness and competitiveness of the ASEAN capital market. The novelty of this research is that this study adds an audit committee variable, which is one position to help monitor company performance that can add value to the company and the financial distress variable, namely the condition of financial distress is a condition that must be experienced by various companies, especially companies that are directly affected by the existence of financial distress. covid-19 pandemic. Another thing, this study uses data analysis techniques with panel data to examine the variables of the board of directors, audit committee, enterprise risk management and financial distress on firm value on the IDX and SET. The panel data analysis technique will accommodate the information model both related to cross section and time series variables so that it can reduce the problem of omitted variables (Pandoyo and Sofyan, 2018: 237).

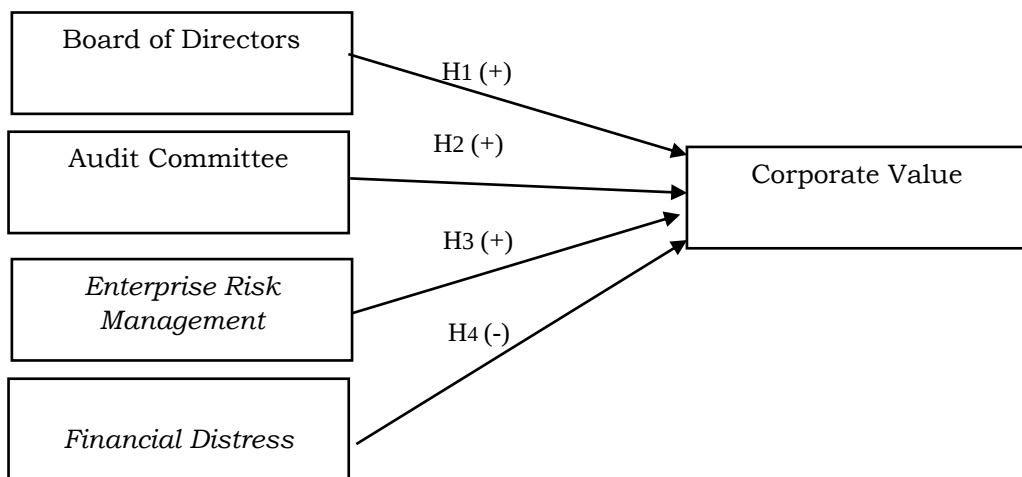


Figure 2. Research concept

The hypotheses of this research are: H1a: Board of Directors has a positive effect on Firm Value in Bei. H1b: The Board of Directors has a positive effect on Firm Value in SET. H2a: The Audit Committee has a positive effect on Company Value on the IDX. H2b: The Audit Committee has a positive effect on Firm Value in SET. H3a: Enterprise Risk Management Disclosure has a positive effect on Company Value on the IDX. H3b: Enterprise Risk Management Disclosure has a positive effect on Company Value in SET. H4a: Financial Distress has a negative effect on Firm Value on the IDX. H4b: Financial Distress has a negative effect on Firm Value in SET.

Research Methods

The location of this research is the banking sector companies listed on the Indonesia Stock Exchange (IDX) and The Stock Exchange of Thailand (SET) for

the period 2016 – 2020. The object of this research is the value of banking companies listed on the IDX and The Stock Exchange of Thailand. (SET) period 2016 – 2020. The population in this study are all banking companies listed on the Indonesia Stock Exchange (IDX) and The Stock Exchange of Thailand (SET) for the 2016-2020 period.

The sample in this study were banking companies listed on the Indonesia Stock Exchange (IDX) and The Stock Exchange of Thailand (SET) for the 2016-2020 period which were in accordance with the sample selection criteria in this study. The sampling technique used in this study is a non-probability sampling method with a purposive sampling technique. Secondary data in this study is in the form of annual financial statements of banking companies listed on the IDX which can be accessed at www.idx.co.id, along with SET which can be accessed at www.set.or.th and several official company websites. concerned.

The data analysis technique used in this study uses panel data (pool data) so that the regression is called the panel data regression model. The stages or steps are to carry out quantitative analysis consisting of: Estimating the regression model using panel data; Selection of panel data regression model; Classic assumption test; Hypothesis testing.

Result and Discussion

Testing the panel data estimation model aims to select the most appropriate model used in the study. There are three estimation models in panel data regression, namely the common effect model, the fixed effect model, and the random effect model.

Table 1
Chow test results on banking companies listed on the IDX

<i>Effects Test</i>	<i>Probabilty</i>
<i>Cross-Section Chi-Square</i>	0.000

Source: Data processed, 2022

Table 2
Chow test results on banking companies listed on SET

<i>Effects Test</i>	<i>Probabilty</i>
<i>Cross-Section Chi-Square</i>	0.000

Source: Data processed, 2022

The results of the chow test test in Table 1. and Table 2. show that the value of Prob. The cross-section Chi-square of 0.000 is smaller than the alpha value (0.05), so H1 is accepted. So the appropriate method in research and the best technique to perform regression tests for IDX and SET is to use the fixed effects model. Based on the results of the chow test from the Indonesia Stock Exchange and the Stock Exchange of Thailand which accepted H1, the data testing continued to the Hausman test.

Table 3
Hausman test results on banking companies listed on the BEI

Test Summary	Probability
<i>Cross-section random</i>	0.284

Source: Data processed, 2022

Table 4
Hausman test results on banking companies registered in SET

Test Summary	Probability
<i>Cross-section random</i>	0.000

Source: Data processed, 2022

Hausman test results on companies listed on the Stock Exchange in Table 3. shows that the value of Prob. The random cross-section of 0.284 is greater than the alpha value (0.05) so that H0 is accepted and H1 is rejected. So the right model for panel data regression is the random effect model. While the Hausman test results on companies listed in SET in Table 4 show that the value of Prob. The random cross-section of 0.000 is greater than the alpha value (0.05) so that H0 is rejected and H1 is accepted. So the right model for panel data regression is the fixed effect model. Based on the Hausman Test Results for companies listed on the IDX, H0 is accepted and H1 is rejected, while the Hausman Test results for companies listed on SET H0 are rejected and H1 is accepted, then the data testing for companies on the IDX continues to the Langrange multiplier test..

Table 5
The results of the Langrange multiplier test on banking companies listed on the BEI Breusch-Godfrey Serial Correlation LM Test

F-Statistic	Probability
10,155	0,000

Source: Data processed, 2022

The Langrange multiplier test results in Table 5. show that the Breusch-Godfrey probability value of 0.000 is smaller than the alpha value (0.05) so that H0 is rejected and H1 is accepted. So the right model for panel data regression is the random effect model. Based on the results of the Chow test, the Hausman test, and the Langrange multiplier test, it shows that the mode; The best used in research for Indonesian companies is the common effect model, while for Thai companies it is the random effect. The results of the model selection can be seen in Table 6. for banking companies listed on the IDX and Table 7. for banking companies listed on SET as follows:

Table 6
Panel data test results on banking companies listed on the IDX

Test	Hypotheses	Final Decision
Chow test	<i>Common Effect vs Fixed Effect</i>	<i>Fixed Effect</i>
Hausman test	<i>Random Effect vs Fixed Effect</i>	<i>Random Effect</i>

Test Langrange multiplier	<i>Common Effect vs Random Effect</i>	<i>Random Effect</i>
Source: Data processed, 2022		

Table 7
Panel data test results on banking companies registered in SET

Test	Hypotheses	Final Decision
Chow test	<i>Common Effect vs Fixed Effect</i>	<i>Fixed Effect</i>
Hausman test	<i>Random Effect vs Fixed Effect</i>	<i>Fixed Effect</i>

Source: Data processed, 2022

Because the Random Effect Model (REM) model has been selected twice, the Random Effect Model (REM) model in this study is the best model to answer the research objectives of companies listed on the IDX. While the Fixed Effect Model (FEM) has been selected twice, the Fixed Effect Model (FEM) in this study is the best model to answer the research objectives of companies listed in SET. The results of the normality test for all samples show a probability value of 0.068 for companies listed on the IDX, a probability value of 0.80 for those listed on the SET. This means that companies listed on the IDX and SET have a value greater than the level of significance, which is 5 percent (0.05). So it can be concluded that the regression model has a normal distribution.

Table 7
Autocorrelation test results

	Value of du table	Durbin Watson Statistik	Conclusion
Indonesia stock exchange (BEI)	1,807	1,851	There are no autocorrelation symptoms
<i>Stock Exchange of Thailand</i> (SET)	1,703	1,798	There are no autocorrelation symptoms

Source: Data processed, 2022

Based on Table 7. on the autocorrelation test, it can be seen that the DW value for companies listed on the IDX is 1.8282 while the DW value for companies listed on SET is 1.798. This value will be compared with the Durbin-Watson d Statistics table with a significance value of 5% total the sample of companies listed on the IDX is 225 (n) while companies listed on SET are 55 (n) and the number of independent variables (k = 5), then the Durvin-Watson table will get the following values for the lower limit values (dl) of listed companies on the IDX is 1.851 and the upper limit value (du) is 1.8199, so that the value of $4-du = 2.149$ is obtained. The value of Durvin-Watson (dl) in companies listed in SET is 1.798 and the upper limit value (du) is 1.703, so that the value of $4-du = 2.297$ is obtained. So that the criteria for $du < dw < 4-du$ can be formulated, namely for Indonesian companies $1,807 < 1,851 < 2,149$ and for companies listed on SET $1,703 < 1,798 < 2,297$, it can be concluded that companies listed on the IDX and SET have no autocorrelation symptoms.

Table 8
Multicollinearity test results on banking companies listed on the IDX

	X₁	X₂	X₃	X₄
X₁	0.473			
X₂	-0.035	0.221		
X₃	0.687	0.431	-0.086	
X₄	-0.194	-0.187	-0.196	-0.038

Source: Data processed, 2022

Table 9
Multicollinearity test results on banking companies registered in SET

	X₁	X₂	X₃	X₄
X₁	0.168			
X₂	0.134	0.301		
X₃	-0.101	-0.104	0.156	
X₄	-0.323	-0.277	-0.037	-0.092

Source: Data processed, 2022

Information:

- X_1 : Independent Board of Commissioners
 X_2 : Board of Directors
 X_3 : Audit Committee
 X_4 : *Earning Risk Management Disclosure*
 X_5 : *Financial Distress*

Based on Table 8 and Table 9, it is known that the coefficient value between variables in both countries is less than 0.80. This is in accordance with the test criteria that the results of the multicollinearity test have no correlation coefficient value between variables that is more than 0.80. Therefore, it can be concluded that there is no multicollinearity problem.

Table 10
Heteroscedasticity test results on banking companies listed on the Indonesia stock exchange (IDX) and the stock exchange of Thailand (SET)

No	Variable	BEI Prob.	SET Prob.
1	Board of Directors (X_1)	0.0529	0.365
2	Audit Committee (X_2)	0.2599	0.069
3	<i>Earning Risk Management</i> (X_3)	0.2721	0.090
4	<i>Financial Distress</i> (X_4)	0.3708	0.080

Source: Data processed, 2022

Table 10 on Indonesian and Thai companies shows that the probability value of the five variables is more than 0.05. The probability value of companies listed on the Stock Exchange, the board of directors variable is $0.0529 > 0.05$, the audit

committee variable is $0.2599 > 0.05$, the earning risk management variable is $0.2721 > 0.05$ and the financial distress variable is $0.3708 > 0.05$. Meanwhile, the companies listed in SET have the probability value of the board of directors variable $0.365 > 0.05$, the audit committee variable $0.069 > 0.05$, the enterprise risk management variable $0.090 > 0.05$ and the financial distress variable $0.080 > 0.05$. It is concluded that there is no heteroscedasticity in the panel data on the IDX and SET.

Table 11

Results of panel data regression analysis on companies listed on the Indonesia stock exchange and the stock exchange of Thailand

Variabel	Common Effect Model (CEM)			Random Effect Model (REM)		
	Indonesia stock exchange			Stock Exchange of Thailand		
	Coef. Reg	Prob.	Conclusion	Coef. Reg.	Prob.	Conclusion
Board of Directors (X ₁)	0.052	0.040	Positive Effect	0.134	0.014	Positive Effect
Audit Committee (X ₂)	-0.009	0.933	No effect	0.008	0.462	No effect
Enterprise Risk Management (X ₃)	0.361	0.000	Positive Effect	0.867	0.000	Positive Effect
Financial Distress (X ₄)	-0.057	0.000	Negative Effect	-0.136	0.009	Negative Effect
C	-0.037			0.113		
<i>R Squared</i>		0.604			0.996	
<i>Adjusted R2</i>		0.597			0.994	
<i>F-Statistic</i>		83.592			715.756	
<i>Prob (F-Statistic)</i>		0.000			0.000	

Source: Data processed, 2022

Based on the results of the panel data validation test with the Chow test, Hausman test and Langrange multiplier test, the Random Effect Model in this study is the best model to answer the research objectives of companies listed on the IDX, so the regression equation model that can be made is as follows:

$$Y = -0,037 + 0,052 X_1 - 0,009 X_2 + 0,3610 X_3 - 0,057 X_4 + \varepsilon$$

The regression coefficient values for the variables of the Board of Directors (X₁), Enterprise Risk Management (X₃) and Financial Distress (X₄) in this study have a probability value of less than 0.05. This shows that the variables of the Board of Directors (X₁), Enterprise Risk Management (X₃) and Financial Distress (X₄) have a significant effect on the Firm Value variable (Y), while the Audit Committee variable (X₂) has no effect.

Based on the results of the panel data validation test with the Chow test and the Hausman test, the Fixed Effect Model (FE) model in this study is the best model to answer the research objectives of companies listed in SET, so the regression equation model that can be made is as follows:

$$Y = 0,113 + 0,134 X_1 + 0,008 X_2 + 0,867 X_3 - 0,136 X_4 + \varepsilon$$

The regression coefficient values for the variables of the Board of Directors (X1), Enterprise Risk Management (X2) and Financial Distress (X4) in this study have a probability value of less than 0.05. This shows that the variables of the Board of Directors (X2), Enterprise Risk Management (X4) and Financial Distress (X5) have a significant effect on the Firm Value variable (Y), while the Audit Committee variable (X2) has no effect.

The test results in table 5.15 give the results where the value of the Adjusted R Square data for companies listed on the IDX is 0.597. This means that 59.7 percent of the variation in the value of the 45 banking sectors listed on the Indonesian Stock Exchange (IDX) studied during 2016-2020 can be significantly influenced by the variables of the independent board of commissioners (X1), board of directors (X2), audit committee (X3), Enterprise Risk Management (X4), and Financial Distress (X5) while the remaining 40.3 percent is explained by other factors. For companies registered in SET, the results are obtained where the value of the Adjusted R Square data for companies registered in SET is 0.994. This means that 99.4 percent of the variation in the value of the 11 banking sectors listed in SET can be significantly influenced by the variables of the independent board of commissioners (X1), the board of directors (X2), the audit committee (X3), Enterprise Risk Management (X4), and Financial Distress (X5) while the remaining 0.6 percent is explained by other factors.

The results of the F test in table 5.15 show that the calculated F value in the data of companies listed on the IDX is 83,592 with a significance value of P value 0.000 which is smaller than $\alpha = 0.05$, this means that the model used in this study is feasible. . This result means that the five independent variables are able to predict or explain the phenomenon of firm value in 45 banking sectors listed on the Indonesia Stock Exchange (IDX). This means that the Board of Directors (X1), Audit Committee (X2), Enterprise Risk Management (X3), and Financial Distress (X4) simultaneously have a significant effect on the firm value of 45 banking sectors listed on the Indonesia Stock Exchange (IDX).

The results of the F test (F test) in table 5.15 show that the calculated F value in the company data listed in SET is 715,756 with a significance value of P value 0.000 which is smaller than $\alpha = 0.05$, this means that the model used in this study is feasible. . This result means that the five independent variables are able to predict or explain the phenomenon of firm value in 11 banking sectors listed on the Stock Exchange of Thailand (SET). This means that the Board of Directors (X1), Audit Committee (X2), Enterprise Risk Management (X3), and Financial Distress (X4) simultaneously have a significant effect on the firm value of 11 banking sectors listed on The Stock Exchange of Thailand (SET)).

Based on Table 11, it is known that the board of directors variable has a significance value of 0.040 which is smaller than $\alpha = 0.05$ ($0.040 < 0.05$) and a regression coefficient value of 0.052. This shows that the board of directors has a significant positive effect on the value of the 45 banking sector companies listed on the Indonesia Stock Exchange (IDX). So the first hypothesis a (H1a) is accepted.

In Table 11, it is known that the board of directors variable has a significance value of 0.014 which is smaller than $\alpha = 0.05$ ($0.014 < 0.05$) and the regression coefficient value is 0.134. This shows that the board of directors has a significant positive effect on the firm value of the 11 banking sectors listed on the Stock Exchange of Thailand (SET). So the first hypothesis b (H1b) is accepted.

Based on Table 11, it is known that the audit committee variable has a significance value of 0.933 which is smaller than $\alpha = 0.05$ ($0.933 > 0.05$) and the regression coefficient value is -0.009. This shows that the audit committee has no significant effect on the value of the 45 banking sector companies listed on the Indonesia Stock Exchange (IDX). So the second hypothesis a (H2a) is rejected.

While in Table 11 it is known that the audit committee variable has a significance value of 0.462, greater than $\alpha = 0.05$ ($0.462 > 0.05$) and a regression coefficient value of 0.008. This shows that the audit committee has no significant effect on the firm value of the 11 banking sectors listed on The Stock Exchange of Thailand (SET). So the second hypothesis b (H2b) is rejected.

Based on Table 11, it is known that the Enterprise Risk Management variable has a significance value of 0.000 which is smaller than $\alpha = 0.05$ ($0.000 < 0.05$) and the regression coefficient value is 0.361. This shows that Enterprise Risk Management has a significant positive effect on the value of the 45 banking sector companies listed on the Indonesia Stock Exchange (IDX). So the third hypothesis a (H3a) is accepted.

While in Table 10, it is known that the Enterprise Risk Management variable has a significance value of 0.000 which is smaller than $\alpha = 0.05$ ($0.000 < 0.05$) and the regression coefficient value is 0.867. This shows that Enterprise Risk Management has a significant positive effect on the value of the 11 banking sectors listed on The Stock Exchange of Thailand (SET). So the third hypothesis b (H3b) is accepted.

Based on Table 10, it is known that the Financial variable has a significance value of 0.000 which is smaller than $\alpha = 0.05$ ($0.000 < 0.05$) and the regression coefficient value is -0.057. This shows that Financial Distress has a significant negative effect on the value of the 45 banking sector companies listed on the Indonesia Stock Exchange (IDX). So the fourth hypothesis a (H4a) is accepted.

While in Table 10, it is known that the Financial variable has a significance value of 0.009 which is smaller than $\alpha = 0.05$ ($0.009 < 0.05$) and the regression coefficient value is -0.136. This shows that Financial Distress has a significant negative effect on the firm value of the 11 banking sectors listed on The Stock Exchange of Thailand (SET). So the fourth hypothesis b (H4b) is accepted.

The distribution of statistical test data in this study shows that although the average value for the board of directors in banking companies listed on the IDX is 6.262 and banking companies listed on the SET are 4.054, which means the number of boards of directors in banking companies listed on the IDX and SET is able to synergize in the field of supervision and the field of utilization of company resources. The implementation of the tasks carried out by the board of directors with good results will increase the company's performance and will ultimately increase the value of the company. An increase in the board of directors can increase the network with outside parties and ensure the availability of resources. The board of directors has interests that are able to increase the value of the company and can be directly responsible for directing, controlling and supervising the management of resources in accordance with company goals.

The results of the research hypotheses H1a and H1b are in accordance with research by Amyulianthy (2012), Giovani and Mulyana (2017), Syafitri (2017), Fintreswari (2017) and Marini et al (2017) which state that the board of directors has a positive effect on firm value. This is because more and more boards of directors are tasked with carrying out company operational activities and company management in achieving company goals. With good and controlled company performance, it will produce good profitability and will be able to increase company value.

Hypothesis (H2a) states that the audit committee has a positive effect on firm value on the IDX. The results of the analysis show that the audit committee has no effect on firm value on the IDX, so H3a is rejected. While the hypothesis (H2b) states that the audit committee has a positive effect on the value in SET. The results of the analysis show that the audit committee has no effect on firm value in SET, so hypothesis H2b is rejected. This result can occur because the number of independent auditors decreases the value of the company. The large proportion of audit committees has the potential to cause the supervisory function to be ineffective because many audit committees make communication and coordination difficult and will have an impact on decreasing company value. In the distribution of statistical test data in this study, which shows the average value of the number of audit committees in banking companies on the IDX is 3.871 and banking companies in SET are 3.381, which means that the large number of audit committees is not a factor to be taken into consideration in appreciating firm value. This shows that the number of audit committees does not guarantee the effectiveness of audit committee performance in banking companies on the IDX and SET in supervising financial performance to increase firm value.

The audit committee is expected to assist and strengthen the function of the board of commissioners in carrying out its supervisory function. The audit committee is responsible for reviewing work results and developing close working relationships with external auditors and internal auditors. The audit committee is expected to have a working relationship and empower internal audit or the company's internal control system. The total membership of the audit committee is required to have at least three members, of which the chairman is an independent commissioner of the company and the other members are people

from external parties who are independent in nature. Audit committee members also have a background or experience in finance and accounting.

The results of the research hypotheses H2a and H2b are in accordance with the results of research by Kumalasari (2017), Giovani and Mulyana (2017) and Puspa (2021) which state that the audit committee has no effect on firm value. This is because the formation of the audit committee in the sample companies was formed only based on fulfilling obligations to applicable regulations and avoiding sanctions, but is not intended to enforce good corporate governance. In addition, the large number of audit committees does not guarantee that a company's performance will improve, so investors consider the existence of an audit committee to be not a factor to be taken into consideration in appreciating the value of the company. The results of the research on the H2a and H2b hypotheses do not support the agency theory. This means that the audit committee formed only aims to improve efficiency and effectiveness in monitoring their work duties and responsibilities. Because the audit committee is elected, the management must be accountable for all its work to shareholders. The existence of an audit committee in the company is as a controlling mechanism in the preparation of financial statements.

Hypothesis (H3a) states that Enterprise Risk Management has a positive effect on firm value on the IDX. The results of the analysis show that Enterprise Risk Management has a positive effect on firm value on the IDX, so H4a is accepted. Meanwhile, Hypothesis (H3b) states that Enterprise Risk Management has a positive effect on firm value in SET. The results of the analysis show that Enterprise Risk Management has a positive effect on firm value in SET, so H4b is accepted. In the distribution of statistical test data in this study which shows the average value for Enterprise Risk Management in banking companies listed on the IDX is 0.827 and banking companies listed on SET are 0.861, which means Enterprise Risk Management is a company strategy in carrying out policies taken in order to manage risk to provide adequate assurance regarding the achievement of company goals. A good strategy is a strategy that can pay attention to the risks that occur, both external and internal. The better and clearer the ERM that the company conveys in its report, the more confident investors will be in the safety of the funds they invest. The results of the research hypotheses H3a and H3b are in line with previous research conducted by Hoyt et al (2008), Baxter (2012), Alfinur (2016) and Handayani (2017) showing that ERM has a positive effect on firm value.

The results of the research on hypotheses H3a and H3b support the stakeholder theory proposed by Freeman (1994) that stakeholders play an important role in determining the success of the company. Its main objective is to help corporate managers to understand their stakeholder environment and manage more effectively among the existing relationships in their corporate environment and to assist corporate managers in increasing the value of the impact of their activities and minimizing losses to their stakeholders. One of them is information about the company's risk profile and the management of these risks, which is commonly known as Enterprise Risk Management (ERM) disclosure. The existence of better risk management with the implementation of Enterprise Risk Management (ERM) in a company also determines the level of investor confidence.

Hypothesis (H4a) states that Financial Distress has a negative effect on firm value on the IDX. The results of the analysis show that Financial Distress has a negative effect on firm value on the IDX, so H5a is accepted. Meanwhile, Hypothesis (H4b) states that Financial Distress has a negative effect on firm value in SET. The results of the analysis show that Financial Distress has a negative effect on firm value on the IDX, so H4b is accepted. The results of these two hypotheses show that the higher the company is experiencing financial difficulties, the value of the company represented by the stock price will decrease. This is due to the quality of management in managing the capital structure and the quality of assets owned by the company. In the distribution of statistical test data in this study which shows the average value for Financial Distress in banking companies listed on the IDX is 0.740 and banking companies listed on SET are 1.612, which means that banking companies listed on the IDX are in the category of healthy companies and in SET is a category of companies that enter the gray area. This is a prediction of the company's financial health, which is very important for all parties with an interest in the company to anticipate the possibility of this happening. The up and down movement of stock prices is directly related to the increase and decrease in the value of the company which will cause Financial Distress, thereby reducing the prosperity of shareholders. Financial statement analysis can be a prediction about the company's financial health. The results of the research hypotheses H4a and H4b are in line with previous research conducted by Kanyugi (2016), Tanujaya et al (2017) and Siahaan (2018) which said that Financial Distress had a negative effect on firm value. The results of the research on hypotheses H4a and H4b support the agency theory proposed by Jensen and Meckling (1976) where companies experience financial distress, management is certainly required to find the best way to save the company from this condition. At this time there is an agency problem, where both parties have different interests. Management as an agent should be on behalf of the best interest of the shareholders, but on the other hand, management wants to prioritize its own interests to maximize utility.

Conclusion and Suggestion

Based on the results of data analysis and discussions that have been carried out, the following conclusions can be drawn: The board of directors has a positive effect on firm value on the IDX and SET. This shows that the implementation of the board of directors is running effectively, one of the principles is that the proportion of the board of directors is appropriate so as to enable effective, precise and fast decision making. The audit committee has no effect on firm value on the IDX and SET. The proportion of the audit committee is not a guarantee that the performance of a company will improve. Too many audit committee members will also have a bad impact on the company. Enterprise Risk Management has a positive effect on firm value on the IDX and SET. This shows the disclosure of enterprise risk management The existence of better risk management with the implementation of Enterprise Risk Management (ERM) in a company also determines the level of investor confidence. Financial distress has a negative effect on firm value on the IDX and SET. This shows that the size of a company cannot be a benchmark that the company can face financial difficulties, because financial difficulties can occur in every company, be it large, medium or small companies.

Based on the results of the analysis and conclusions, some suggestions for further research can be put forward as follows: this research is limited to the banking sector, so it cannot generalize to all sectors of companies listed on the IDX and SET. Further research is recommended to be able to research the same thing but in other sectors. In addition, further researchers are also advised to consider other accounting measurements, especially choosing variables that can have an influence on firm value such as insider ownership. Based on the results of this study, it is known that enterprise risk management has a positive impact on company value in banking companies listed on the IDX and SET, so it is hoped that banking companies can analyze factors that can affect management risk disclosure.

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