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The Role of Compliance Function as a Moderation in the Relationship of Good Corporate Governance (GCG) and Enterprise Risk Management (ERM) against the Value of Listed State-Owned Enterprises in Indonesia

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Abstract

Organizations are affected by the governance framework when conducting business activities. Organizations need to ensure economic, social and environmental added value. Changes in the business environment and technological developments cause every company to need to increase the value of the company. This ultimately led to a good supervision system called Good Corporate Governance (GCG). This research specifically raised SOEs as research objects because of SOEs. This study aims to test and analyze the influence of Corporate Governance and Enterprise Risk Management (ERM), to test and analyze the impact of moderation compliance functions on the relationship between Corporate Governance, Compliance Function on the relationship between Enterprise Risk Management (ERM), towards the Value of Listed State-Owned Enterprises in Indonesia. This is research with a quantitative approach. This study examines the influence of Good Corporate Governance (GCG) and the implementation of risk management on Company Value with the disclosure of Fraud Control Plan as moderation. The sample selection conducted in this study uses a non probability sampling method with a purposive sampling method. In state-owned enterprises listed on the IDX, the implementation of Good Corporate Governance (GCG) has a significant positive effect on the value of the company. In state-owned enterprises listed on the IDX, ERM disclosure has a positive and significant effect on the value of the company. In state-owned enterprises listed on the IDX, the compliance function is not able to moderate the influence of GCG implementation on the value of the company. In state-owned enterprises listed on the IDX, the compliance function is not able to moderate the influence of ERM disclosure on the value of the company.

Keywords
compliance function; moderation in relationshio; Good Corporate Governance (GCG)

I. Introduction

An organization in carrying out its business activities will be governed by a governance framework. The organization in question can be in the form of open companies or closed companies, which have the status of State-Owned Enterprises (SOEs) or Regional Owned

Enterprises (ROEs) or purely privately owned companies. The increase in the value of the company's shares, the higher the company value, the higher it will be (Katharina, 2021). In the current economic development, manufacturing companies are required to be able to compete in the industrial world (Afiezan, 2020). The existence of the company can grow and be sustainable and the company gets a positive image from the wider community (Saleh, 2019).

Changes in the business environment and technological developments cause every company to be obliged to track market demand and external demand dynamically so that the company can maximize financial performance and market performance (Merchant et al, 2014). The company's performance is something produced by the company in a certain period with reference to standards. The results of the performance must be measurable and describe the empirical condition of the company.

In the process of maximizing the value of the company, a conflict of interest, commonly known as an agency conflict, arises between the manager and the shareholders (owners of the company). Often, the management of the company has other objectives that may conflict with the main objectives of the company. This ultimately leads to a good supervision system called Good Corporate Governance (GCG) or good corporate governance to ensure the security of funds or assets embedded in the company and its efficiency.

This research specifically raised SOEs as research objects because the Ministry of SOEs is currently encouraging SOEs as agents of development and value creation. With the large number of resources managed by SOEs, aspects of governance and regulation certainly have challenges to ensure governance can be implemented prudently.

The implementation of effective Governance, Risk, and Compliance (GRC) functions is an inevitability for SOEs. To present an overview and portrait of the conditions of GCG implementation and assess the quality of implementation in SOEs and all SOE Subsidiaries, the Ministry of SOEs issued assessment tools in the Decree of the Secretary of the Ministry of SOEs Number: SK-16/S-MBU/2012 concerning Indicators/Parameters of Assessment and Evaluation of the Implementation of Good Governance (GCG) in SOEs.

Not only in terms of corporate governance, but also business management must be accompanied by adequate risk management. In accordance with the Regulation of the Minister of State-Owned Enterprises Number: PER-10 /MBU/2012 Regulation of the Supervisory Board/Supervisory Agency of State-Owned Enterprises, all State-Owned Enterprises (SOEs) form a risk management supervisory committee. Therefore, the regulation also applies to state-owned enterprises, especially those listed on the Indonesian stock exchange.

Despite the growing focus on risk management, there is still relatively little academic research in this area. Some researchers use the chief risk officer (CRO) as a proxy for the implementation of ERM (Beasley et al., 2008; Hoyt and Liebenberg, 2011). Other researchers such as Gordon, Loeb, and Tseng developed their own ERM index (Gordon et al., 2009).

The implementation of the ERM system will improve the company's performance (Hoyt and Liebenberg, 2011). At least three studies have linked ERM to corporate performance, the first by Gordon et al. (2009), the second by Hoyt and Liebenberg (2011), and the third by Bertinetti et al. (2013). Hoyt and Liebenberg (2011) believe through their research that there is a positive relationship between corporate value and the application of corporate ERM. His statistical and economic research on U.S. insurers found that with the implementation of ERM, the value of the company increased by 17%. The implementation of ERM appears to increase risk awareness, which in turn supports better operational and strategic decisions for the company.

This research uses the Compliance function projected with FCP as a moderation variable because with the implementation of FCP positioned can be a system that is able to cover gaps that previously became a way to commit fraud and this also forms and even strengthens corporate governance and FCP can moderate the influence of risk management on increasing the value of the company because of the compliance function. can minimize the risks associated with compliance obligations (compliance obligations) to compliance requirements derived from regulations, laws, industry standards and the like and compliance commitments derived from the company's willingness to voluntarily bind itself to certain obligations (self regulation).

In this study, the disclosure of Good Corporate Governance, Enterprise Risk Management and Compliance functions will be tested on state-owned enterprises that have been listed on the Indonesia Stock Exchange (IDX). This research is important considering that the value of the company is a consideration for shareholders in making decisions while in achieving high company value depends on management efforts. From this, it can be seen in management operations in achieving market performance, prone to conflicts of interest so that there is a need for GCG and Enterprise Risk Management (ERM) disclosure. Therefore, this study provides empirical evidence of the effectiveness of GCG and ERM in increasing the value of the company.

The results of this study can make one of the references regarding the impact of GCG and the role of implementing risk management on market and financial performance for Indonesian state-owned enterprises listed on the Indonesia Stock Exchange. Practical Benefits The results of this study can provide information to SOE Management. In addition, the results of this research can also be used as a useful consideration for investors for one of the bases of decision making in investing in state-owned enterprises. The results of this study can make the basis of decision making for the Ministry of SOEs to set policies.

II. Research Methods

The studies compiled are carried out using quantitative methods. This study examines the influence of Good Corporate Governance (GCG) and the implementation of risk management on Company Value with the disclosure of Fraud Control Plan as moderation. This research is research with a quantitative approach. The population in this study is all state-owned enterprises (SOEs) listed on the Indonesia Stock Exchange (IDX) for the period 2014 - 2019 as many as 20 companies.

This research is quantitative, so the data to be used is quantitative. The secondary data used is time series data in the form of lists and data of the company's annual reports. This study used secondary data on all non-financial state-owned enterprises listed constituently on the Indonesia Stock Exchange in the period 2014 - 2019.

The analytical tools used in this study used multiple linear regression with moderation models on an interaction test basis or Moderated Regression Analysis (MRA) Test. The data collected will be analyzed using SPSS 21 software.

III. Discussion

3.1 Results

a. Descriptive Analysis

The complete descriptive statistics in this study are shown in the table below:

Table 1. Descriptive Statistical Results of Research Variables

Variable	N	Minimum	Maximum	Mean	Std. Deviation
NP	90	0,34	14,62	1,89	2,3132
GCG	90	74,64	98,28	89,66	5,6096
ERM	90	0,10	0,40	0,26	0,0662
FCP	90	0,30	0,79	0,65	0,1119

The data used in this study was 90 samples. Based on Table 6 can be explained as follows.

1. Dependent variables in this study, namely Company Value (NP). The minimum value of the Company Value variable is 0.340 and the maximum value is 14.623.
2. The independent variable in this study is the GCG *Implementation Index*. The minimum value of the GCG *Implementation Index* variable is 74,640 and the maximum value is 98,280.
3. The independent variable in the study is the ERM *Disclosure Index*. The minimum value of the ERM *Disclosure Index* variable is 0.102 and the maximum value is 0.403.
4. The independent variable in the study, the FCP *Disclosure Index*. The minimum value of the FCP *Disclosure Index* variable is 0.308 and the maximum value is 0.795.

b. Classic Assumption Test

1. Normality Test

The result of the plot graph.
Equation (1):

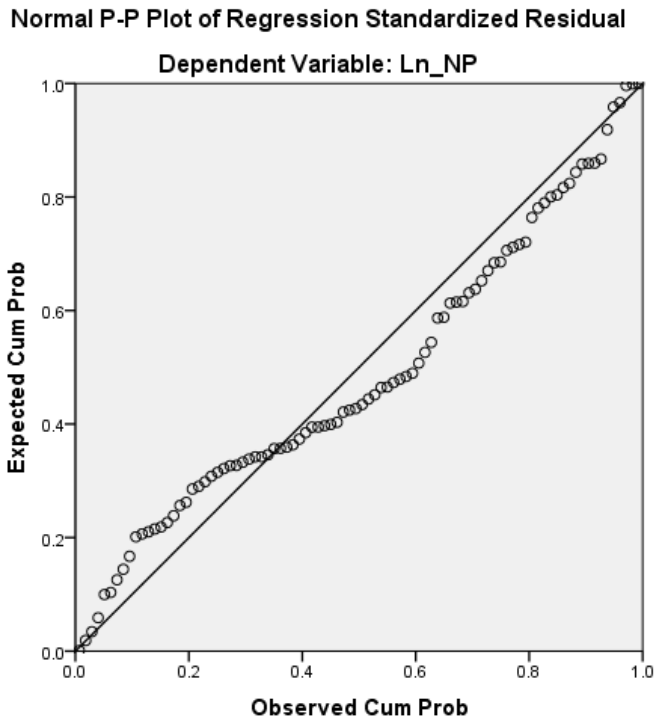

Figure 1. *Normal Graph of Probablity Plot – Equation 1*

In the figure above it can be seen that the normal probability plot of the equation (1) shows a normal plot pattern. This can be seen from the dots scattered around the diagonal and

the dots scattered along the diagonal. Thus, it can be concluded that the regression model is feasible because it meets the assumption of normality.
Equation (2):

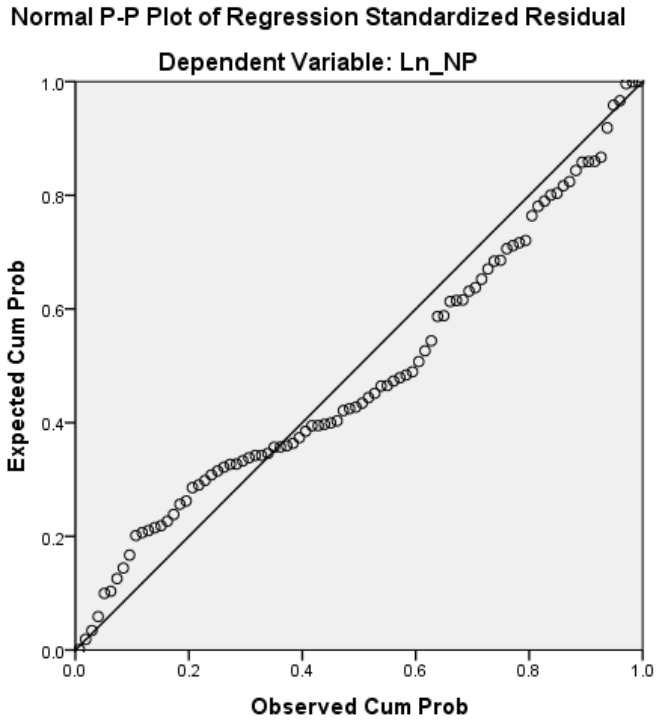

Figure 2. *Normal Probability Graph - Equation 2*

Figure 2 can be seen that the normal probability plot of the equation (2) shows a normal plot pattern. This can be seen from the dots scattered around the diagonal and the dots scattered along the diagonal. Thus, it can be concluded that the regression model is feasible because it meets the assumption of normality. Here are the results of the *Kolmogorov Smirnov* Test:

Table 2. Kolmogorov-Smirnov Normality Test Results

Equation	Asymp. Sig (2-tailed)	Conclusion
1	0,085	Normal Distributed Data
2	0,060	Normal Distributed Data

Based on the Kolmogorov Smirnov Test in table 7 it was obtained that the value of Asymp Sig. for equation 1 worth 0.085 is greater (>) than α (0.05) and the value of Asymp Sig. for equation 2 is worth 0.060 greater (>) than α (0.05) so it can be concluded that the data used is normal distribution.

2. Multicollinearity Test

Multicollinearity Test results can be seen in table 3 below:

Table 3. Multicollinearity Test Results

Equation	Variable	Tolerance	VIF	Conclusion
1	GCG	0.995	1,005	Multicollinearity Free
	ERM	0.995	1,005	Multicollinearity Free

Equation	Variable	Tolerance	VIF	Conclusion
2	GCG	0,254	3,401	Multicollinearity Free
	ERM	0,706	1,174	Multicollinearity Free
	FCP	0,332	1,649	Multicollinearity Free
	GCG*FCP	0,231	2,976	Multicollinearity Free
	ERM*FCP	0,381	2,233	Multicollinearity Free

Based on table 8 above it can be seen that regression equations (1) and (2) do not experience multicollinearity disorder. This appears to be the *tolerance* value of each variable greater than 10 percent (0.1). The results of the VIF calculation also showed that the VIF values of each variable in both equations (1) and (2) were less than 10. So, it can be concluded that there is no multicollinearity between free variables in the regression equation (1) and equation (2).

3. Heteroskedastity Test

The results of the heteroskedasticity test of the SPSS program are shown in the table below.

Table 4. Heterochemicity Glacier Test Results

Equation	Variable	Sig	Conclusion
1	GCG	0,064	Heterochemicity Free
	ERM	0,311	Heterochemicity Free
2	GCG	0,054	Heterochemicity Free
	ERM	0,372	Heterochemicity Free
	FCP	0,069	Heterochemicity Free
	GCG*FCP	0,070	Heterochemicity Free
	ERM*FCP	0,583	Heterochemicity Free

Based on the glacier table table 9 obtained that on independent variables each equation (1) and (2) has a value of Sig. greater than 0.05. Thus, it can be concluded that the free variables on both models show no symptoms of heteroskedasticity.

4. Autocorrelation Test

The results of the autocorrelation test are shown below.

Table 5. Autocorrelation Test Results

Equation	DU Value	Durbin-Watson (DW)	4-DU	Conclusion
1	1,7026	1,754	2,2974	Autocorrelation Free
2	1,7758	1,777	2,2242	Autocorrelation Free

Based on the results of the Autocorrelation Test in Table 5 shows that the Durbin-Watson values are as follows:

1. The Durbin-Watson value in the equation (1) is 1.754 while the DU value obtained from the Durbin-Watson table is 1.7026. Thus, the value of DW = 1.754 is between DU = 1.7026 and 4-DU = 2.2974 or 1.7026 < 1.754 < 2.2974. This shows that in

regression models there is no positive or negative autocorrelation so there is no autocorrelation.

2. The Durbin-Watson value in equation 2 is 1.777 while the Du value obtained from the Durbin-Watson table is 1.7758. Thus, the value of DW = 1.777 is between DU = 1.7758 and 4-DU = 2.2242 or 1.7758 < 1.777 < 2.2242. This shows that in regression models there is no positive or negative autocorrelation so there is no autocorrelation.

c. Multiple Linear Regression Analysis

Based on the results of regression using the SPSS program, the regression coefficient obtained can be seen in the following table.
Equation (1):

Table 6. Multiple Linear Regression Coefficient Result - Equation 1

Variable	Unstandardized Coefficients B	Sig.
Constant	2,769	0,005
GCG	0,260	0,030
ERM	1,847	0,042

Based on table 6, the multiple linear regression equations are obtained as follows:

NP = 2,769 + 0.026 GCG + 1,847 ERM + e

The above equation can be explained as follows:

1. Based on the results of the regression equation above, a constant value of 2.769 was obtained. This means that if the variable conditions of the GCG *Implementation Index* and ERM *Disclosure Index* are considered constant, then the resulting Company Value variable is 2,769.
2. The regression coefficient on the ERM *Disclosure Index* and GCG *Implementation Index* variables is positive so it can be said that the ERM *Disclosure Index* and GCG *Implementation Index* variables have a positive relationship to the Company Value variable. This means that each one-unit increase in the ERM *Disclosure Index* and GCG *Implementation Index* variables result in the Company Value variable increasing by the regression coefficient.

Equation (2):

Table 7. Multiple Linear Regression Coefficient Result - Equation 2

Variable	Unstandardized Coefficients B	Sig.
Constant	4,005	0,499
GCG	0,051	0,441
ERM	0,727	0,829
FCP	10,936	0,237
GCG*FCP	0,135	0,191
ERM*FCP	4,391	0,394

Based on table 7, the multiple linear regression equations are obtained as follows:

NP = 4,005 + 0.051 GCG + 0.727 ERM + 10,936 FCP + 0.135 GCG*FCP + 4,391 ERM*FCP + e

The above equation can be explained as follows:

1. Based on the results of the regression equation above, a constant value of 4,005 is obtained. This means that if the variable conditions of GCG *Implementation Index* and ERM *Disclosure Index*, FCP, GCG*FCP, and ERM*FCP are considered constant, then the resulting Company Value variable is 4,005.
2. The regression coefficients in the ERM *Disclosure Index* and GCG *Implementation Index*, FCP, GCG*FCP, and ERM*FCP variables are positive value so it can be said that the ERM *Disclosure Index* and GCG *Implementation Index*, FCP, GCG*FCP, and ERM*FCP variables have a positive relationship with the Company Value variable. This means that each one-unit increase in variables ERM *Disclosure Index* and GCG *Implementation Index*, FCP, GCG*FCP, and ERM*FCP then causes the Variable Value of the Company to increase by the coefficient of regression.

d. Determination Coefficient Test (R^2)

The Adjusted R Square value can be seen in the following table:

Table 8. Determination Coefficient Results

Equation	R-Square	Adjusted R-Square
1	0,130	0,110
2	0,156	0,106

On table 8 it can be seen that the value of R Square is 0.13 or 13%. This can be interpreted that the independent variable GCG *Implementation Index* and ERM *Disclosure Index* can explain the dependent variable of the Company Value of 13%, while the rest is explained by other factors that are not studied in equation (1).

While in equation (2) the value of R Square is 0.156 or 15.6%. This can be interpreted that the independent variables GCG *Implementation Index* and ERM *Disclosure Index*, FCP, GCG and ERM moderated by FCP can explain the dependent variable of the Company Value of 15.6%, while the rest is explained by other factors that are not studied in the equation (2).

Based on the table above, the value of R2 in equation (1) is 0.13 or 13% while after there is an equation (2) the value of R2 rises to 0.156 or 15.6%. By looking at the results above, it can be concluded that with the DISCLOSURE of FCP (moderator variable) can enlarge the explanation of the relationship *between GCG Implementation Index* and *ERM Disclosure Index* to Company Value.

e. Linear Regression Hypothesis Test

1. Simultaneous Testing (Statistical Test F)

The results of the F test in this study can be seen in table below:

Table 9. Simultaneous Test Result (F-Test)

Equation	F-statistic	Sig	Information
1	6,511	0,002	Significant
2	3,107	0,013	Significant

Based on table 9 of the results of the F test in this study, the value of F calculated the equation (1) of 6,511 with a significance number (P value) of 0.002. With a significance level of 95% (α = 0.05). The significance number (P value) is 0.002 < 0.05. On the basis of this comparison, the GCG *Implementation Index* and ERM *Disclosure Index* variables have a significant influence simultaneously on the dependent variables, namely Company Value.

As for equation (2) obtained a value F calculates 3.107 with a significance number (P value) of 0.013 with a significance level of 95% (α = 0.05). The significance number (P value) is 0.013 < 0.05. The results of the F test showed that the GCG *Implementation Index* and ERM *Disclosure Index* moderated by the *Fraud Control Plan* (FCP) had a significant influence simultaneously on the Company Value variable so that the regression model was feasible to use.

2. Partial Testing (Statistical Test t)
Equation (1):

Table 10. Partial Test Result (t-Test)

Variable	Unstandardized Coefficients B	Sig.	Information
Constant	2,769	0,005	
GCG	0,260	0,030	Significant
ERM	1,847	0,042	Significant

Hypothesis testing with multiple regression analysis is based on the processing results of the equation research model (1) as follows:

NP = 2,769 + 0.026 GCG + 1,847 ERM + e ..... (1)

Table 10 above shows the results of partial regression tests or t-tests on equations (1). Based on the results of the above calculations can be drawn conclusions from the hypothesis test:

a. First Hypothesis Test ($_{H1}$)

The regression coefficient value of the GCG *Implementation Index* variable has a positive direction of 0.026 with a significance value (P *Value*) of 0.003 < α 0.05. On the basis of this comparison, **H1 is accepted** or means that the GCG *Implementation Index* variable has a significant influence on the Company Value variable.

b. Second Hypothesis Test ($_{H2}$)

The regression coefficient of the ERM *Disclosure Index* variable has a positive direction of 1.847 with a significance value (P *Value*) of 0.042 < α 0.05. On the basis of this comparison, **H2 is accepted** or means that the ERM *Disclosure Index* variable has a significant influence on the Company Value variable.

3. Moderation Regression Analysis Testing
Equation (2):

Table 11. Moderation Regression Test Results

Variable	Unstandardized Coefficients B	Sig.	Information
Constant	4,005	0,499	
GCG	0,051	0,441	
ERM	0,727	0,829	
FCP	10,936	0,237	
GCG*FCP	0,135	0,191	Insignificant
ERM*FCP	4,391	0,394	Insignificant

Hypothesis testing with multiple regression analysis is based on the processing results of the equation research model (2) as follows:

NP = 4,005 + 0.051 GCG + 0.727 ERM + 10,936 FCP + 0.135 GCG*FCP + 4,391 ERM*FCP + e ..... (2)

Table 12 above shows the results of *the Moderateed Regression Analysis* test on the equation (2). Based on the results of the above calculations can be drawn conclusions from the hypothesis test:

a. Third Hypothesis Test (H_3)

The above interaction test shows a multiplication significance rate between the GCG and FCP variables of 0.191 > 0.05 and a coefficient value of 0.135 with a significance level of 95% (α = 0.05). On the basis of these comparisons, **H_3 is rejected** or means that the Compliance Function variable projected with the FCP *Disclosure Index* does not moderate the relationship between the GCG Implementation Index and the Company Value.

b. Fourth Hypothesis Test (H_4)

Interaction tests conducted on the FCP *Disclosure Index* variable moderated the relationship between the ERM *Disclosure Index* and the Company Value with a significance level of 95% (α = 0.05). The results of the interaction test resulted in a significance number (P *Value*) of 0.394 > 0.05 and a coefficient value of 4.391. On the basis of these comparisons, **H4 is rejected** or means that the FCP *Disclosure Index* does not moderate the relationship between the ERM *Disclosure Index* and the Company Value.

3.2 Discussion

Based on the results of research that has been done, here is a summary of the overall discussion of hypotheses, as seen in the table below:

Table 12. Summary of Research Hypothesis Results

Hypothesis		Explanation of Results	Result	Information
H1	The implementation of GCG has a positive effect on the Value of the Company	The GCG Implementation Index variable has a positive and significant relationship with the Company Value variable.	a. Regression coefficient value 0.026 b. P Value of 0.003 < α 0.05	Accepted
H2	ERM disclosure has	The ERM Disclosure	a. Coefficient	Accepted

Hypothesis		Explanation of Results	Result	Information
	a positive effect on company value	Index variable has a positive and significant relationship to the Company Value variable.	value of 1,847 b. significance value (P Value) of 0.042 < α 0.05	
H3	Compliance Function moderates the positive influence of GCG on Company Value	Compliance Function moderates the positive influence of the relationship between GCG and Company Values	a. Regression coefficient value of 0.135 b. The significance value (P Value) of 0.191 > α 0.05	Rejected
H4	Compliance function moderates the positive influence of Risk Management on Company Value	Compliance Function moderates the positive influence of the relationship between Risk Management and Company Value	a. Regression coefficient value of 4,391 b. Significance value (P Value) of 0.394 > α 0.05	Rejected

In this study there are two accepted hypotheses, namely H1 that the application of GCG has a positive effect on the value of the company and H2 that the disclosure of ERM has a positive effect on the value of the company besides that there are two hypotheses that are rejected, namely H3 that the compliance function moderates the influence between GCG on company values and H4 that the compliance function moderates the influence between ERM on company values. The discussion of each hypothesis is as follows:

1. H1: The implementation of GCG has a positive effect on the Company's Value

Based on the multiple linear regression tests that have been conducted, the significance of the GCG implementation variable represented by the GCG assessment score shows a figure of 0.003 < 0.05 and produces a positive coefficient value of 0.026. This shows that the GCG implementation variable represented by the GCG assessment score has a significant positive effect on the company's value. Therefore, it is in accordance with H1 that the implementation of GCG has a positive impact on the value of the company.

These results are consistent and in line with research conducted by Retno and Priantinah (2012), Nuzula (2018), and Santoso (2017) stated that GCG has a positive effect on company value while Kumalasari and Pratikto (2017), Sarafina and Saifi (2017) state that GCG not only has a significant positive effect on the value of the company but also on financial performance.

Thus, it can be concluded that the implementation of GCG projected with the GCG Assessment Score has a significant positive effect on the company's value because the implementation of GCG disclosed by the Company, in this case SOEs, through published annual reports is one of the efforts in providing information to external parties.

2. H2: ERM disclosure has a positive effect on company value

Based on the multiple linear regression tests performed, the significance of the ERM disclosure variable represented by the ERM disclosure index is shown at 0.042 < 0.05 and results in a positive coefficient value of 1.847. This indicates that the ERM disclosure variable represented by the ERM disclosure index has a significant positive effect on the

company's value. Therefore, it is in accordance with H1 that erm disclosure has a positive impact on the value of the company.

These results are consistent and in line with research conducted by Hoyt and Liebenberg (2011), Sanjaya and Linawati (2015), Bertinetti et al (2013), Devi et al (2107), Abdullah et al (2015) and Gordon et al (2009) which stated that there is a significant and positive influence between the value of the company and the implementation of ERM. Thus, it can be concluded that the disclosure of ERM projected with the ERM Disclosure Index has a significant positive effect on the value of the company because risk management as part of the corporate system has the function of handling and identifying potential risks faced by the company. Issuers have a high value if they are able to identify, analyze, evaluate, and develop mitigation plans for all business risks that have the potential to interfere with the achievement of company goals through Enterprise Risk Management (ERM).

3. H3: Compliance Function moderates the positive influence of GCG on Company Value

Based on the moderation regression analysis test between the compliance function variables projected with the FCP Disclosure Index and the implementation of GCG projected with the GCG Assessment Score showed a significance number of 0.191 > 0.05 with a positive coefficient value of 0.135. This indicates that the moderation variables of compliance functions projected with the FCP *Disclosure Index* are not able to affect the relationship between GCG Implementation and Company Value. Thus, this is not in line with H3 which states that the Compliance Function moderates the positive influence of GCG on company values.

Variable compliance functions as moderating cannot affect the relationship of GCG disclosure with company values. In other words, GCG disclosure cannot increase the value of the company when the Fraud Control Plan (FCP) disclosure index is high.

Researchers also assume that the high or low fcp index has not guaranteed that the company will increase the value of GCG may be due to the implementation of FCP which has not been done in a structured manner and is only done for regulatory compliance.

In its implementation, the implementation of FCP in new SOEs was formally stipulated in February 2020 with the Ministry of SOEs having issued a Letter of the Minister of SOEs No. S-35 / MBU / 01/2020 concerning the Implementation of SMAP in SOEs and Letter No. S-17 / S.MBU / 02/2020 which requires all State-Owned Enterprises (BUMN) to build, implement and certify SNI ISO 37001: 2016 Anti-Bribery Management System (SMAP). Based on data from the Ministry of SOEs of the Republic of Indonesia, as of December 2020, there are only 74 SOEs (69.15%) that have had SNI ISO 37001 certification. As of February 2021, there has been an increase, so that about 83% of SOEs have SNI ISO 37001: 2016 certification. The latest data we obtained from sources at the Ministry of SOEs, as of August 31, 2021, there are as many as 98 out of 107 or about 91.59% of SOEs that have been certified by SNI ISO 37001: 2016 Anti-Bribery Management System.

With the implementation of SNI ISO 37001: 2016 in SOEs, it can be an embodiment of the values of AKHLAK BUMN and further strengthen healthy competitiveness both nationally and globally, because business is carried out without bribes and it can increase confidence by investors and potential investors and become a consideration in making decisions to invest in state-owned enterprises.

4. H4: Compliance function moderates the positive influence of Risk Management on Company Value

Based on the moderation regression analysis test between the compliance function variables projected with the FCP Disclosure Index and the ERM disclosure projected with the ERM Disclosure Index, the significance number was 0.394 > 0.05 with a positive coefficient value of 4,391. This indicates that the moderation variables of compliance functions projected with the *FCP Disclosure Index* are not capable of influencing the relationship between ERM

Disclosure and Company Value. Thus, this is not in line with H4 which states that the Compliance Function moderates the positive influence of Risk Management on Company Value.

Researchers see this result may be due to the lack of optimal implementation of ISO 37001 as a form of active participation of SOEs in minimizing the risk of bribery fraud in Indonesia makes the hypothesis of the Compliance Function to moderate the positive influence of Risk Management on Company Value rejected.

IV. Conclusion

This research was conducted to test the effect of GCG implementation and ERM disclosure on company values with the disclosure of Fraud Control Plan (FCP) as a moderation variable. Based on the analysis described in the previous chapter, the study used a multiple linear regression analysis tool with a moderation model on an interaction test basis or Moderated Regression Analysis (MRA) test. This study used a sample of 15 SOEs listed on the Indonesia Stock Exchange (IDX) with a research period of 2014 - 2019. Based on the tests that have been carried out, it can be concluded that in state-owned enterprises listed on the IDX, the implementation of Good Corporate Governance (GCG) has a significant positive effect on the value of the company. This means that when the company's GCG assessment score is high, the higher the company's value and when the company's GCG assessment score is low, the lower or smaller the company's value. In state-owned enterprises listed on the IDX, ERM disclosure has a positive and significant effect on the value of the company. This means that the high ERM Disclosure Index shows the higher value of the company in the eyes of investors, it signals that the company is in a condition that is able to give confidence to shareholders and investors who will attract interest to invest their shares in the company. In state-owned enterprises listed on the IDX, the compliance function is not able to moderate the influence of GCG implementation on the value of the company. The meaning is that the increase in fcp disclosure index is not able to strengthen the influence of the implementation of GCG on the value of the company. In state-owned enterprises listed on the IDX, the compliance function is not able to moderate the influence of ERM disclosure on the value of the company. The higher ERM disclosure index indicates a good outlook in the future, because the implementation of ERM provides investors with adequate confidence in the company's performance against business risks that may occur. This will make a signal to investors that will make the demand for stocks increase. However, the additional Compliance Function does not affect the relationship between ERM and company value, meaning that the high disclosure of FCP cannot strengthen the influence of GCG implementation in the company at a time when the ERM disclosure index is high and cannot lower the value of the company when the ERM disclosure index is low.

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