ABSTRACT

The 1997 banking and economic crisis in Indonesia has triggered Bank Indonesia to enhance the use of risks management for banks. The making of Risk Management Committee on banks has been regulated and tightly monitored by Bank Indonesia. This action was held according to the statement of *Basel II* *and principle of Good Corporate Governance about the importance of risk management on banks and banking activities.*

This study was conducted to identify the existence of Risk Management Committee and its relationship with the determinants, such as: independent commissionaires, the board size, auditor reputation, banks' complexity and the size of the company, on numerous banks in Indonesia. The data used in this research is collected from banks that are listed in Indonesia Stock Exchange during the period of 2009 until 2011. Purposive sampling was used to collect the data and resulting in 91 banks as the final sample.

The findings found from this study was that independent commissionaire, the board size, the auditor reputation and the bank's complexity has no significant relationship with the existence of Risk Management Committee. But alas, the statistic analysis used this study showed that the size of company has a positive and significant relationship with the existence of Risk Management Committee as stated in the analysis logistic regression with the number 0,6 of significantly.

Keywords : Risk Management Committee, Banks, Good Corporate **Governance**