Corporate Risk Reporting and its Determinants: A Systematic Review

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Abstract

This review aims to summarize the risk, management of risk and risk reporting related researches around the world. Through the systematic review, the research papers written from 2004 to 2021 have been reviewed. In this review, it has appeared that the degree of revealing risk contents is still poor. The quantity of risk reporting varies among the nations. In some countries, risk reporting is satisfactory but in others it is very poor. The types of disclosures whether it is voluntary, or mandatory depend on the country's perspective. Mainly, the elements of governance of company (size of board, independent directors, pattern of ownership, role duality and audit quality), size of company, the degree of risk and the profitability are the key determinants. Moreover, industry type, competition and environmental sensitivity are found as the determinants of risk reporting in some previous research works. This paper is useful to identify the gap for new research in this area.

Keywords: Risk; Corporate Risk Reporting; Determinants of Corporate Risk Reporting; Systematic Literature Review

1. Introduction

Researchers from different background (Finance, accounting, economics and legal issues) are showing their interest in corporate risk reporting as an emerging field of research. In recent years, the demand for the corporate risk reporting is increasing as an important requirement of corporate governance compliance. Risk disclosure can be beneficial for several reasons. It has a negative relationship with information gap between the managers and stakeholders of the firm. Information imbalance is negatively correlated with the risk reporting quality (Mikhinen, 2013). It is useful in increasing the trust of stakeholders on management of a corporation and can make the management accountable towards the users of the business information. Abraham and Cox (2007) claimed that risks disclosures are useful to understand the riskiness of the firm and it helps to predict the firm value. An investor feels secured with financial and nonfinancial risk disclosures. Thus, providing this information can make the mangers accountable.

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Many researchers have explored the subject of risk coverage from numerous aspects whereas a large portion of the researchers have looked into the strength of governance of a company to influence; the nature and way of presentation of risk information; the extent of risk disclosing practices and types of risks related to the businesses. Regulators have embarked with evidence on risk announcement that weight on risk exposure as a fundamental element of efficient and strong governance of an organization. Contentions related to compulsory risk exposures or deliberate risk exposures that are adequate to fulfill the stakeholders of the corporation are also observed. Literatures are examined to seek the pertinence and utility of risk information. The degree of corporate risk reporting of various nations and territories has likewise been explored. Various models are additionally utilized in risk reporting.

This paper is differently set from the previous research works. Mbithi et al. (2020) reviewed only the corporate risk disclosure behavior research. In this study, the determinants of risk disclosures found in all the previous - research from 2004 to 2021 are presented. This research has tried to expose the availability of risk information, way of presentation of the risk and their determinants from several country's perspectives. Previous research incorporated only the literature regarding corporate risk disclosure practices and their determinants to some extent but it was not sufficient. But in this paper, almost all the research regarding the risk reporting practices and their determinants are included.

According to the aim of the research, this paper is mainly divided into three parts. In the first part, the theoretical background of risk reporting practices is discussed. Secondly, the relationship of Risk reporting with different variable is analyzed from the previous evidence. In the last part, all the determinants of risk reporting practices from different country's perspective are presented.

2. Review Methodology

Exposing the corporate risk reporting practices and their influencing factors from 2004 to 2021 is the goal of this review. "Google scholars" and "Ebscohost" websites were utilized to look into the articles on Risk reporting practices. For searching the article, these terms have been used - "Risk Reporting Practices", "Corporate Risk Disclosures" and "Determinants of Risk Disclosures or Reporting". The relevant papers from different renowned journals have also been reviewed.

Procedure for the Insertion of Articles for Review

From the observed outcomes, at least 300 articles acquired, search strings of 1 to 3 were orchestrated and after going through the synopsis of the articles found in the outcomes and records having the illustration of risk announcing information of corporation and their correlation with different firm and governance attributes were chosen with the end goal of review.

To review the concept regarding the aim of this paper, the concept de facto criteria has been set to select the article by the author considering the same pragmatic virtue e.g., usefulness, relevance, simplicity etc. (Ketokivi and Mantere, 2010, p.319). Reports recorded on information base yet not accessible because of absence of membership were prohibited.

3. Risk

Risk refers to the uncertainty or deviation. In the early 1920's, Frank Knight defined 'risk' as volatility that can be numbered in terms of possibilities when volatility is not possible to measure termed as uncertainty. "Risk is the volatility of returns leading to unexpected losses, with higher volatility indicating higher risk" (Crouhy, et al., 2006, p.25). According to ICAEW report, "Risk is the uncertainty associated with both a potential gain and loss". Risk management system is the fundamental element of risk precedence for a company. In this study, the volatility of a firm or corporation is the focused point. Corporate risks can be defined as the variability in performance or uncertainty of any event of a corporation.

Risk alludes to any dubious future result. The potential result might be either acceptable (a potential gain risk) or awful (a disadvantage risk) or risk is considered as the changeability of a possible results (ICAEW, 2011). Linsley and Shrives (2006a) marked that risk can be influential both in good and bad ways.

4. Corporate Risk Reporting

"Risk reporting is the announcement of general, specific and likelyconditions in the financial statements of an organization that may lead to the change of the worth of assets and liability" (Kamal Hassan, 2008a, c).

Dobler (2005) noted that corporate risk disclosures are instructive and essential for its users. Though risk reporting is very vibrant issue in research field, it is not sufficient and structured to the extent the users expect. Linsley et al (2014) came to the point that users of information of a corporation can assume to be a meaningful medium in moving forward the presentation of corporate risk contents.

Disclosing risk information varies from country to country for their regulations, cultures, and user's demand. Domínguez and Gámez, 2014) showed that comparatively Spanish companies expose the minimum number of risk contents. These companies only disclose the primary facets of the financial risks faced. Companies listed in USA announces more risk contents but companies in Germany uncover the risk news less (Dobler et al., 2011). Scannella and Polizzi (2017) provided references that banks differ in disclosing their risks in the market, even though they are subject to similar regulatory requirements and accounting standards. Uba Adamu (2021) mentioned that banking companies provide qualitative disclosure as well as information of financial risk while non-financial companies disclose the operating risk most of the time.

5. Corporate Risk Reporting in Bangladesh

Most of the researchers in Bangladesh researched on the credit risk management and the sample was taken from banking industry. Alam and Masukujjaman (2011) identified different risk announcement, noticed the procedure and strategy to manage the risk involved with the commercial banks in Bangladesh. Rahman (2011) investigated the degree of exposure of managing credit risk of the banking sector in Bangladesh and came up with an outcome that the central bank of Bangladesh instructed all the commercial banks and financial institutions through its circular to follow a sound and organized system in managing credit risk. Das and Das (2007) tried to figure out the system which a commercial bank adopts to manage credit risk in Bangladesh. It is observed that standing against the competitive financial and economic condition, the criteria of managing credit risk and reporting to the users is not satisfactory at all. Lalon (2015) analyzed the proficiency in managing credit risk of Bangladeshi Banks and provided strong evidence that credit risk management practices assist to increase profitability and sustainability. Hussan (2015) highlighted the necessity of the risk management practices, overview of the various types of risks and the industry standards of risk management tools and techniques. Kabir and Sobhani (2017) also focused on providing the risk disclosures practices of the banking industry in Bangladesh.

Afroze and Haque (2017) tried to find out relationship of firms' specific factors and corporate risk reporting of manufacturing industry. Mazumdar and Hossain (2018) did an extensive study on the literature review of corporate risk reporting that is the only review in Bangladesh regarding this topic. Because of reporting regulations, pharmaceutical companies disclose financial information mostly. Pharmaceutical companies provide very poor number of voluntary disclosures and the quality is not up to the mark as well (Sharif and Sarker, 2020).

6. Significance of Corporate Risk Reporting

Stakeholders need to be provided with relevant information about the financial firms they have interest in to understand their risk profile (Linsley et al., 2006). Lower cost of capital and efficient corporate governance benefits are the outcome of risk management and its exposures. Such disclosures will ensure the safeguarding of the investor's interest and provide them with forward-looking information. Beretta and Bozzolan (2004) described that contents or news about future are the way of disclosing risk and they have been linked to improved corporate governance, determining profitability and value of the firm. Lajili and Zehgal (2005) have also paid attention to the fact that risk management disclosures information works as a vital component of corporate governance. The ICAEW (2011) described that disclosure of corporate risk plays not only the role of reducing the cost of capital, making rational investors but also of improving stewardship function of the firm and the quality of corporate governance. Risk assessment disclosure and information regarding management are ought to be supportive for the investors, and stakeholders when they are evaluating the prospects of the company along with the management and director's competence in respect of handling uncertainty in business.

Announcement and management of risk of a company has increased with more concentration because of the successive scandals of accounting and financial crisis. Linsley and Shrives (2005) stated that efficient governance of a company made the directors answerable exposing the risk information of a corporation and that would be beneficial for the investors. Better investments decision in the form of portfolio management can be taken with corporate risk information (Abraham and Cox, 2007). Comprehensible and clear information regarding risk of a company allows the stakeholders to apprehend the firm's risk position and to manage their own risk as well (Linsley and Lawrence, 2007). Deumes (2008) opined that proper capital markets functioning demands transparent risk information of a company.

The financial reporting in the annual report made by the companies is not sufficient as there are huge changes in business structure and environments and financial and corporate accounting scandal. Analysis of financial and nonfinancial information (both numerical and descriptive disclosures) in the yearly reports has become an important matter of fact to comprehend and catch an outline in regard to a company's future possibility and current circumstance (Amran et al., 2009). From the viewpoint of Miihkinen (2012), standard of data in the yearly statement is necessary to make the disclosures useful and informative for the stakeholders.

Ntim et al (2011) described the significance of disclosing risk in respect of corporate governance theories. Disclosure of risk can minimize the agency conflict and problems of information gap between external users and internal users. According to legitimacy theory and institutional theory, the perspective of corporate governance, goodwill and reputation of a firm can be enhanced with corporate risk disclosures that will assist to achieve the ultimate objective of the firm. On the other hand, stakeholder theory suggests that disclosures regarding corporate risk can boost the confidence of various stakeholders like regulators, investors, government and employees which is aligned with achieving the goals of the organization. Resource dependency theory suggests that to minimize the cost of capital which will be the outcome of increased reputation will be only possible through corporate risk disclosures.

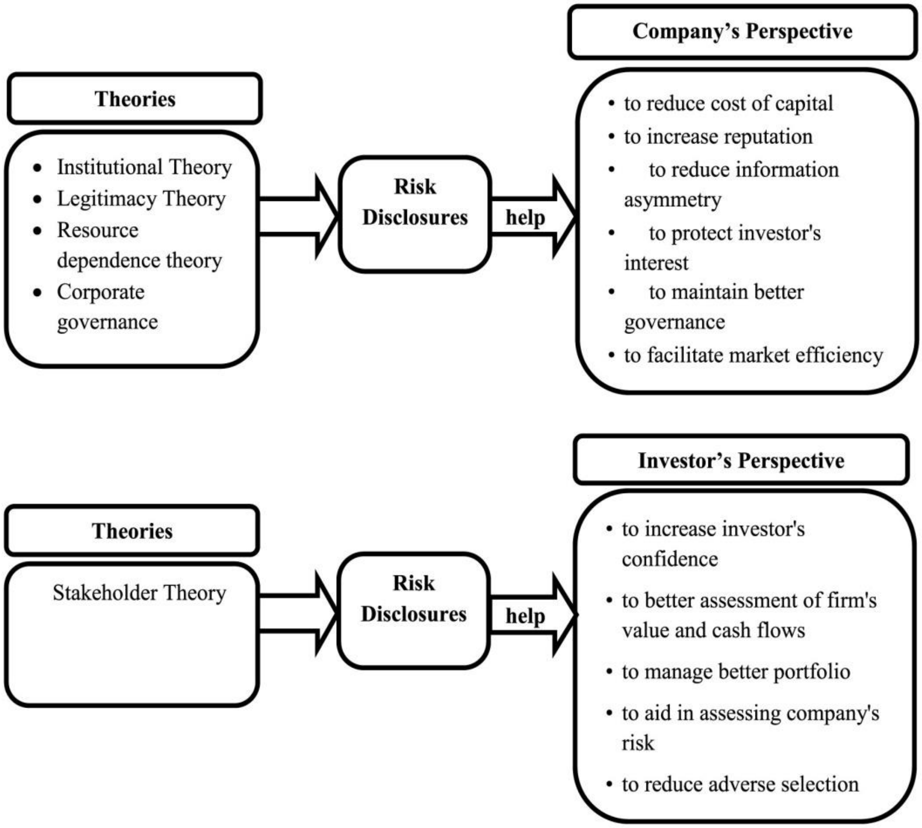

Figure - 6(a): Significance of Corporate Risk Reporting

7. Different Types of Corporate Risk Disclosures

From the prior literature it was found that the companies are reluctant to provide voluntary disclosures. Because to some extent companies think it will be a problem to disclose companies' weakness or any bad news related to the company and its performance. Generally, management of company apply a conservative principle in announcing the deliberate risk contents (Domínguez and Gámez, 2014). Linsley and Lawrence (2007) inspected the risk announcement in the yearly reports of UK companies to measure the degree of coherence of uncertainty and the intention of the board of directors to expose the unfavorable news of the corporation. They found that directors are not intentionally exposing or covering up unfavorable risk information.

Elshandidy et al. (2014) explored the companies in United States, United Kingdom and Germany and observed to what extent both company characteristics and nation impact obligatory and deliberate risk reporting varieties over Germany, the UK and the US. They found material variations in both disclosures between firms over the three nations. Further, normally companies in Germany reveal maximum number of risk content obligatorily compared to companies in United Kingdom, however lower than the US companies. German companies generally incline to expose materially higher degree of risk contents willingly than companies in United States but lower than the companies in United Kingdom. Compulsory and deliberate disclosures' variations are essentially dependent on the social values, market risk and the legal system and. Both national and company specifications have higher explanatory control over the examined deviations in obligatory and deliberate risk reporting.

Al-Janadi et al. (2011) indicated that approximately 36 percent companies report the risk information voluntarily which is very low. Social and environmental contents are not announced deliberately. Comparing the results of voluntary risk exposure, it is concluded that UAE companies expose 42 per cent risk information deliberately and Saudi companies report 32 per cent risk information.

Disclosing deliberate risk information seems to upgrade authenticity for two major reasons. Firstly, institutional pressure assures the effectiveness of market disciplines and secondly, corporation's reputation increases through managing stakeholder's perceptions (Oliveirra et al, 2011).

Elshandidy et al. (2013) upheld the current UK accentuation on inspiring rather than mandating risk announcement. Mokhter and Mellett (2013) demonstrated a low degree of consistence with obligatory risk reporting necessities. Obligatory risk announcements are positively correlated with the size of company, dividend-growth and board independence but negatively correlated with high leverage (Elshandidy et al., 2013).

8. Determinants of Corporate Risk Reporting

Different factors affect the risk reporting practices in different countries. Among them some factors are common for most of the research previously done by the authors. By reviewing the previous research, this paper has attempted to find out the possible determinants.

8.1. Corporate Risk Reporting and Corporate Governance

Corporate governance is an influential factor of risk reporting. The quantity of risk disclosures significantly depends on sound corporate governance. Strong corporate governance in terms of board size and gender diversity can positively and significantly affect the corporate risk reporting. Corporate risk reporting is not dependent on local institutional promoter and foreign institutional promoter and non-institutional ownership (Saggar and Singh, 2017).

Al-Maghzom, Hussainey and Aly (2016) identified the elements of governance of corporation to explain the changes indiscretionary disclosure regarding the risks of Saudi listed banks. Mokhtar and Mellett (2013) also indicated that competitive environment, role duality, size of board, ownership structure and type of auditor are the primary determinants of corporate risk disclosures in Egypt.

Elshandidy and Neri (2015) figured out that obligatory risk information of companies in UK and mandatory corporate risk reporting of Italian firms are significantly associated with corporate governance factors. Firms with strong corporate governance measured by board efficiency provide more obligatory and deliberate risk contents in United Kingdom and Italy. Furthermore, highly regulated companies in the UK announce more insightful risk contents to the investors than weakly regulated companies. In the contrary, strongly regulated company in Italy circulate material risk information deliberately rather than compulsorily.

The degree of disclosing risk information in the yearly statements of companies in Kuwait was very poor. It was established that corporate risk reporting has material and positive connection with the number of directors in the board and negative connections with the duality of the role of the directors. Other factors of corporate governance did not illustrate changes in Corporate Risk Disclosures (Al-Shammari, 2014).

Al-Janadi et al. (2013) mentioned that the quality of voluntary risk reporting is highly dependent on the board of directors, non-executive directors, role duality, audit quality, and government ownership. They considered corporate governance as an effective mechanism in case of providing adequate and sufficient information to users.

Ntim, et al. (2013) observed the companies of South Africa in 2007-08 and investigated the connection between the extent of exposing corporate risk and the strength of governance. It was observed that concentrated shareholdings and institutional shareholdings have positive impact but variationsin board, size of board and number of independent non-executive directors have negative impact on the degree of corporate risk reporting. By contrast, there is no evidence of dual board leadership structure as a key factor.

Canadian companies with larger in size and with high board independence exhibit risk management information more than the mandatory requirement. Minority voting control, ownership structures are negatively correlated with disclosing risk information and incentive compensation of CEO shows mixed results (Lajili, 2009).

Abraham and Cox (2007) examined the impact of ownership structure, governance, US listing characteristics on the degree of corporate risk exposures of UK companies. It was found that Institutions with major and long-term holding of shares in the firm provide less corporate risk information. In case of corporate governance, the number of board members and the number of independent directors is positively associated with corporate risk reporting.

8.2. Corporate Risk Reporting and Company Size

Size of company is found as a material factor of all types of corporate risk reporting (Mousa and Elamir, 2013). Linsley and Shrives (2005) made a study on public companies of UK related to risk reporting and found material connection between the degree of risk information and size of the company. Linsley and Shrives (2006) again tried to find the connection between firm size with other factors and the extent of corporate risk reporting and described that the extent of corporate risk announcement is affected by the value of company. (Konishi and Ali, 2007) observed 100 non-financial companies of Japan and found that the large companies reveal maximum number of risk exposure. Mousa and Elamir (2013) noticed that the extent of market and unsystematic risk information is closely linked with the size of an organization.

In exception to previous findings, Hassan (2009) worked on 41 corporations to explore the relationships between corporation specific characteristics and availability of risk news and the result showed that the disclosures of corporate risk are not dependent on the size of a corporation.

8.3. Corporate Risk Reporting and the Degree of Company Risk

On the basis of greater demand of stakeholders in risk reporting, the directors of the highly risky firm provide more disclosures of risks to illustrate the source and primary reason of arising that risk. In addition, the detailed information regarding managing the risk is also disclosed by these directors as a strong stimulus. In reality, highly risky companies are unwilling to announce the major risk disclosures deliberately as they may not want to signal to the stakeholders about the uncertainty of the business. On the contrary, less risky companies are interested to uncover the risk, risk management efficiency and the nature of the business activities. (Linsley and Shrives, 2006).

The degree of changes in providing risk information couldn’t be measured by the degree of company risk in UK companies (Linsley and Shrives, 2005) and (Linsley and Shrives, 2006). Konishi and Ali (2007) also supported the previous research; they found that no material connection between the number of risk information and the extent of company risk.

However, the degree of company risk is not insignificant in all countries. In UAE, the scenario is completely different. Hassan (2009) considered the degree of risk of a company as the evidence of interpreting the change of corporate risk announcement. Mousa and Elamir (2013) provided some guidelines on risk disclosures and explained the value of market risk as important independent variable to illustrate the changes in the number of risk exposures. Höring and Gründl (2011) found that insurer risk has positive impact on corporate risk reporting whereas Dobler et al. (2011) found that leverage of the German companies negatively associated with providing risk information.

8.4 Corporate Risk Reporting and Profitability

Elshandidy et al 2013 argued that highly profitable firms are eagerly interested to disclose their risk management information and the information regarding their earnings. Risk reporting may decrease the instability regarding probable cash flows that can positively affect the share price of the company. Moreover, to sketch a better picture and goodwill in the market about the capability in managing risks, managers willingly announce risk disclosures of the company (Iatridis, 2008).

The empirical findings showed that profitability is a primary determinant of deliberate risk disclosures in Saudi listed banks (Al-Maghzom et al., 2016). Empirical evidence showsboth positive and negative relationship between these two variables. Mohobbot (2005) and Miihkinen (2012) explained the positive changes of risk exposure with the changes in the profit of company and while Lajili and Zegal (2005), Oliveira et al. (2011) and (Höring and Gründl (2011) interpreted the negative changes of risk announcement with the profit of a company.

8.5 Different determinants used in prior research:

Writer	Country	Determinants of Risk reporting	Results
Beretta and Bozzolan (2004)	Italy	• Size • Industry factors	• The disclosure quality does not have any influence either by size or industry. • The quantity and useful information can make quality disclosures.
Linsley and Shrives (2005)	UK	• Size of the Company • Degree of Risk	• Most of the companies provide generalized statements of risk policy as risk disclosure. • Only company size influences the risk disclosures.
Mohobbot (2005)	Japan	• Company size • Level of risk • Profitability • Ownership distribution	• Voluntary risk disclosure varies from company to company and risk information is mainly qualitative. • Size does influence the risk reporting as like previous findings.
Linsley and Shrives (2006)	UK	• Size of the company • Degree of company risk	• General statements of risk management are found rather than specific statements about any risk. • Company size is positively associated.
Abraham and Cox (2007)	UK	• Ownership • Governance • US listing characteristics	• No. of independent directors in Board; dual listing in US; level of risk and firm size positively influence the risk disclosures. • Institutional long-term ownership has negative impact onrisk disclosures.

Konishi and Ali (2007)	Japan	• Corporate characteristics	• Most of the firms provide qualitative risk information rather than quantitative risk information. • Financial Service Agency imposed regulatory guidelines on risk reporting. As a result, the amount of risk disclosures has increased in the yearlystatements. • The higher amount of risk information is announced by the large companies.
Deumes (2008)	Netherland	• Risk for future • Market risk • The possibility of variations in stock price	• Material risk information is disclosed properly in the prospectus of the companies. • Risk information disclosed in the documents can assume the fluctuations of the stock prices.
Amran et al (2009)	Malaysia	• Diversification of product • Diversification of market • Firm size • Leverage • Industry type	• Malaysian companies use very few words for the presentation of risk. • Only Size is significantly correlated with risk disclosures.
Hassan (2009)	United Arab Emirates	• Size, • Industry type • Level of risks • Reserves	• The amount of corporate risk disclosures depends on the corporate size, industry type and leverage. • Corporate reserve is negatively correlated but insignificant.
Lajili(2009)	Canada	• Corporate governance mechanisms	• The mandatory risk information is mostly disclosed by Canadian Large companies having more no. of independent boards of directors. • Corporate risk disclosure depends negatively on the ownership structures with minority voting power.
Dobler et al (2011)	US, Canada, UK, and Germany	• The level of firm risk	• US firms provide more risk disclosures than German firms. • The degree of risk of North American companychanges the amount of risk exposurepositively but the risk of German company changes that negatively.
Höring and Gründl (2011)		• Size and Risk • Profitability • Ownership dispersion • Listing status • Bank assurance activity • Business type	• The size of insurance company, risk of insurer, cross-listing status and diversified ownership have positive impact on the extent of risk disclosure • Profitability is significantly and negative associated withthe amount of risk information. • Risk reporting varies from insurer to insurer and nation to nation.

Oliveira, Rodrigues, and Craig (2011)	Portugal	• Ownership structure • Independent nonexecutive directors • Audit committee independence • External auditor quality • Size • Environmentalsensitivity	• Size, environmental sensitivityand leverage are the important factors of risk disclosures. • Higher board independence strengthens the level of risk disclosures.
Elzahar and Hussainey (2012)	United Kingdom	• Size of organization • Industry activity • Company related factors (listing status, liquidity, gearing ratio and profitability) • Elements of governance	• Risk information is disclosed mostly by large firms, and it also depends on the industry type.
Miihkinen (2012)	Finland	• National disclosure standard • Firm size • Profitability • Foreign listing status	• National standardregarding disclosures played a meaningful role to improve the nature of risk exposurebut failed to increase the quantitative disclosures. • Less profitable firms focus much on quality of risk information. • Quantitative risk information is provided mostly by highly regulated large firms.
Al-Janadi et al. (2013)	Saudi Arabia and UAE	• Independent directors, board members, role duality, quality of audit, and government ownership)	• Non-executive directors, board size, CEO duality, audit quality, and government ownership are the key factors to provide voluntary quality disclosure.
Elshandidy et al (2013)	United Kingdom	• Company's Characteristics • Firm size, dividend-yield • Board independence • ownership • Audit environments • Leverage.	• Large Companies with higher market risk and financing risk, strong growth of dividend, higher return, high board independence and effective audit environment positively influence the deliberate risk contents, but stock price fluctuations and insider ownership negatively affect the deliberate risk information. • Large companies with high dividend-yield and board independence are positively correlated with compulsory risk disclosures and negatively correlated with high leverage.
Miihkinen (2013)	Finland	• firm riskiness • investor interest • market condition	• The extent of risk disclosures is high for high tech and low analyst company with small size. • Information asymmetry is negatively influenced by risk disclosure.

Mokhtar and Mellett (2013)	Egypt	• Competition, • Corporate governance • Ownership structure	• The degree of mandatory risk disclosures is low in Egypt. • Size of board, dual role, competition, ownership concentration and auditor type are the primary factors of the announcement of risk information in Egypt.
Mousa and Elamir (2013)	Bahrain	• Firm size • Beta • Issuing shares • Return on assets • Leverage • Free float • Foreign ownership • Listing • liquidity • Type of Industry	• Systematic risk information is positively associated with beta, size and inclusion of a company. • The size of the company, share issue, free float and profitability are correlated with the amount of unsystematic risk information.
Ntim et al. (2013)	South Africa	• Board Diversity, board size, block ownership, dual board, Leadership structure, government ownership, Independent non-executive directors, Institutional ownership, audit firm size, corporate governance committee, corporate social responsibility committee • Cross-listing • Leverage, firm size, profitability, risk and sales growth, capital expenditure	• Corporate risk exposures are negatively correlated with the concentrated ownership and institutional ownership but positively associated withvariation andnumber of directors of board and independent non-executive directors. • The amount of risk disclosures is not significantly associated with dual board leadership structure.
Al-Shammari (2014)	Kuwait	• Board size • Non-executive directors • Percentage of family members on board • Role duality • Audit committee	• The diversified board can change the number of risk information positively, but the existence of role duality is associated with corporate risk reporting negatively. • Other factors did not illustrate the fluctuations in risk disclosures.
Elshandidy et al. (2014)	Germany, the UK and the US	• Systematic risk • The legal system • Cultural values	• Comparatively German firms disclose significantly higher amount of regulatoryrisk information than UK firms and Us firms provide the lowest amount of risk disclosures among them. • In case of disclosing deliberate risk, German companies are way forward than the US companies. UK firms provide the lowest disclosures.

Klumpes et al. (2014)	Europe, Asia and US	• Managerial characteristics • Agency characteristics • Other characteristics	• Risk disclosures are influenced by both cultural imperatives and managerial incentives.
Elshandidy and Neri (2015)	the UK and Italy	• Corporate governance	• Exposure of deliberate risk information of UK firms and mandatory risk information of Italian firms are associated with governance factors. • Strongly regulated firms in the UK usually announce more meaningful contents of risk. • Voluntary risk information is disclosed by strongly governed firms in Italy.
Al-Maghzom et al. (2016)	Saudi Arabia	• Corporate governance • Demographic traits	• Voluntary risk information is influenced byexternal ownership, frequency of audit committee, gender, size of firm, profitability and size of board are the keyfactors toinfluence.
Saggar and Singh (2017)	India	• board characteristics and ownership concentration	• Corporate risk reportingis positively associated with the size of board members and gender diversity.
Afroze and Haque (2017)	Banglades h	• Characteristics of a firm	• The number of risk disclosures are significantly correlated with firm size and firm's level of risk.
Dey et al. (2018)	Banglades h	• Firm Size • Firm performance • Leverage of firm • Liquidity	• The degree of corporate financial risk reporting has material positive impact on firm size and financial performance.
Khandelwal et al. (2020)	India	• Board Size, Board Independence, Board Diversity, Multiple directorship	• Corporate risk disclosure is positively influenced by the number of women in the board and non-executive directors but negatively correlated with multiple directorships.

8.6 Brief Observation

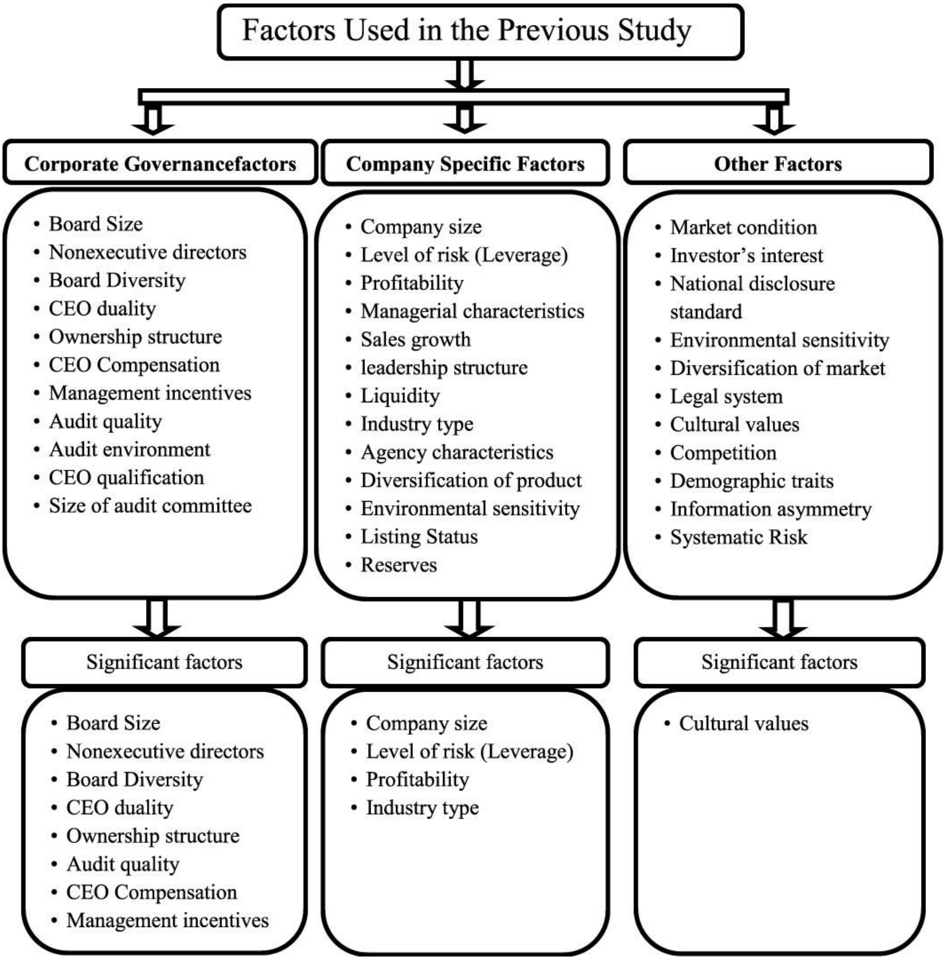

Figure – 8.6: Brief Observation

9. Conclusion

The demand for information of uncertainty and risks is increasing tremendously. As a result, risk reporting has drawn the attention of regulatory body and different practitioners. The overall goal of this review is to accumulate most of the research related to corporate risk reporting all over the world in order to find out the factors influencing risk reporting and to highlight the research gap for the researchers who will work further on this area. Furthermore, material evidence is accumulated in this review from previous literature whether these companies have followed organized structure for announcing risk contents. It is observed that the announcement of risk contents has increased worldwide. The practice of risk reporting varies from country to country. It is also found that risk reporting is not well structured in the reviewed paper of different countries. Very few companies provide voluntary disclosures. Companies are providing disclosures because of the requirements of the regulating authority, ensuring the following of different standards and user's requirements. There are some specific factors that influence the risk disclosures provided by the companies. Company size, Leverage, Corporate governance, Profitability, industry factors are the most common factors that are shown by different authors. There is a further future scope to work in this area because behavioral factors can also be the possible determinants of risk reporting. But it is not considered by any researcher of this area. The study has shown different possible factors and significantly associated factors with risk reporting in various nations. In some countries, the degree of exposing risk has been improved with the changing demand of users. The study has found that some organizations provide monetary value for financial and non-financial risks, some provide non-monetary data of both financial and non-financial risks.

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