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Evaluation of Iso 31000 Risk Implementation in in DKI Jakarta Provincial Government-Owned Enterprises (BUMN) Subsidiaries (Case Study on PT B, A Subsidiary of PTX)

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Abstract

PT. X is a regionally-owned enterprise of the Jakarta provincial government operating in the public transportation sector, and PT. B is a subsidiary of PT. X engaged in property development and property management, particularly in the Jakarta area. Since its establishment in 2020, PT. X has not conducted an evaluation regarding the conformity of ISO 31000 implementation in risk management at PT. B. This study aims to evaluate the conformity of risk management at PT. B based on ISO 31000. The research uses a case study approach through document observation, interviews, and literature findings. The results of this study indicate that PT. B is aware of the importance of risk management implementation and has made efforts to apply risk management. However, the implementation of risk management is still not in accordance with the ISO 31000 risk management standard. PT. B does not yet have an integrated system related to risk management implementation. The risk management documentation process is still carried out in a simple manner. The processes of identification, mitigation, monitoring, and evaluation are still focused on top risks. PT. B also does not yet have a dedicated work unit for risk management within the company. It is expected that this research can serve as evaluation material for the company, especially the risk management work unit, so that the implementation of risk management can be maximized in accordance with ISO 31000 standards. Abstracts are written in Indonesian and English, consisting of the main problem, objectives, methods, and research results.
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INTRODUCTION

According to www.mutuinstitute.com, ISO 31000 is an international standard related to risk management that sets out principles and guidelines applicable to organizations in the processes of identifying, assessing, and mitigating risks. ISO 31000 provides a general standard that can be used by practitioners and organizations in the implementation of risk management within an organization and also helps identify risks and plan appropriate resource allocation to address potential future risks (Barafort, Mesquida, & Mas, 2019, 2018; Hutchins, 2018; Olechowski, Oehmen, Seering, & Ben-Daya, 2016; Rampini, Takia, & Berssaneti, 2019). Currently, the latest version of ISO is ISO 31000:2018. Citing CRSM Indonesia, the most widely used risk management standard in 2018 was ISO 31000, with a usage rate of 67.5%, followed by COSO ERM at 15%, and other risk management standards at 17.5%, based on responses from 366 respondents (S & Adhariani, 2025; Simarmataa & Prasetya, 2025).

PT Mass Rapid Transit Jakarta (PT. X) was established under the regulations stipulated in the Regional Regulation of DKI Jakarta Province Number 3 of 2008 concerning the Establishment of Regional-Owned Enterprises (BUMD) in the form of a limited liability company. PT. X's scope of activities includes the construction, maintenance, and operation of facilities and infrastructure in Jakarta (Ahmad, 2024; Almakaty, 2024; McHaney, 2023; Siuli, 2024; Webster, 2016). In addition, PT. X manages and develops property assets and business activities in stations and surrounding areas (Suryadi, Fatahurazak, Adhayanto, & Arianto, 2022). The PT. X 2023 Annual Report states that PT. X has subsidiaries and joint ventures, namely PT Modal Integrasi Transportasi Jabodetabek (PT. A), PT Integrasi Transit Jakarta (PT. B), and PT Jakarta Lingko Indonesia (PT. C). PT. A is a joint venture company established by PT. X together with PT Kereta Api Indonesia (Persero).

PT. B, a subsidiary of PT. X, operates in the property development and property management industry, specifically in areas of Jakarta such as Dukuh Atas, Senayan – Istora, Blok M – Sisingamangaraja, Fatmawati, and Lebak Bulus. One of the projects carried out by PT. B is the Martha C. Tiahalu Literacy Park. The risk management implementation guidelines at PT. B follow the international standard ISO 31000:2018 on Risk Management Guidelines, in accordance with the Risk Management Guidelines ratified through Board of Directors Regulation No. 018 of 2023.

Within an organization, risk management functions as a scanner of the business environment to identify upcoming threats (Balaji et al., 2024). Risk management is closely related to insurance and financial risk, focusing on asset protection and the company's financial stability (Polinkevych et al., 2021). The implementation of risk management is built upon several key concepts such as risk identification and assessment, development of risk mitigation strategies, and continuous monitoring and review of risk management practices (Lee, 2020). Risk management places strong emphasis on risk culture and governance, which impacts the organization by raising awareness of the importance of embedding risk management principles into the company culture and ensuring all employees understand their roles in managing risks (Balaji et al., 2024). Through the application of risk management, it is expected that the organization can anticipate environmental changes, optimize strategic management, improve corporate governance, and reduce reactive decision-making by top management (Hasan et al., 2024).

In carrying out the role of risk management, a company can adopt a systematic approach such as the Three Lines Model introduced by The Institute of Internal Auditors in 2023, which is an effective method to enhance risk management communication among stakeholders within the company (Seindenfuss et al., 2023). The parent company holds responsibility for each subsidiary in planning, coordinating, and controlling, as well as evaluating the performance of the subsidiaries (Hasan et al., 2024). Implementing risk management requires the development of sound human resource governance to ensure the proper application of risk management within the company (Almakaty, 2024; McHaney, 2023; Webster, 2016). As companies grow and become more interconnected, the ability to anticipate and manage risks becomes increasingly important, making risk management a critical process to support the company's business success (Balaji et al., 2024).

Since its establishment in 2020, PT. X has not yet conducted an evaluation regarding the compliance of ISO 31000 implementation in risk management at PT. B. According to the guidelines on the relationship between the parent company and subsidiaries within PT. X, regulated by PT. X Board of Directors Regulation No. 18 of 2021, PT. X may supervise PT. B, and PT. B may adopt the applicable guidelines from PT. X in its implementation. Additionally, there is PT. X Board of Directors Regulation No. 25 of 2025 concerning reporting guidelines for subsidiaries within PT. X, which outlines the requirements related to risk management reporting in subsidiaries (Baym, 2015; Graham & Dutton, 2019; Kozyreva, Lewandowsky, & Hertwig, 2020).

Based on the results of the 2024 Annual General Meeting of PT. B, the risk maturity level of PT. B scored 2.4 on a scale of 5, which is still below the individual KPI target set at 2.5. This score indicates that the company's risk management practices are at level 2, categorized as "Managed." The "Managed" category signifies that the organization recognizes the importance of risk management and has begun developing basic processes to manage risks. Additionally, standard principles and practices are used in identifying, evaluating, and managing risks. However, the implementation of these practices may still be inconsistent across the organization.

Risk management is crucial for organizations because failure to manage risks can result in losses for both the organization and individuals within it (Sugiyanto and Rahayu, Anggi A., 2018). According to Balaji, Saradha et al. (2024), by implementing risk management, a company can understand and prevent potential risks faced by the business, thereby maintaining a competitive edge and protecting its assets, reputation, and financial stability.

Furthermore, the analysis of risk management implementation in this study is expected to provide an overview of the compliance of PT. B's risk management practices with ISO 31000. This will enable the company to plan subsequent steps to evaluate its risk management based on ISO 31000 standards.

Several previous studies have analyzed the application of ISO 31000 in corporate risk management, yet most focus on large-scale or multinational companies rather than subsidiaries of state-owned enterprises. For instance, Lee (2020) emphasized that ISO 31000 implementation significantly improves risk awareness and decision-making efficiency but highlighted that compliance often depends on management commitment and internal audit integration. Similarly, Polinkevych et al. (2021) found that the application of ISO 31000 strengthens organizational resilience and financial stability but noted the lack of systematic evaluation mechanisms to measure implementation maturity. However, both studies primarily discussed conceptual or macro-level applications without exploring practical compliance in subsidiary environments, where delegation and supervision mechanisms differ from parent companies.

This research fills that gap by assessing how PT. B, as a subsidiary of PT. X, implements ISO 31000:2018 within the context of internal governance and risk maturity evaluation. Therefore, the objective of this study is to analyze the extent of compliance of PT. B's risk management practices with ISO 31000:2018 standards and identify areas for improvement. The findings are expected to provide practical benefits for enhancing corporate governance, improving risk culture consistency between parent and subsidiary entities, and serving as a reference model for other regional enterprises implementing ISO-based risk management frameworks.

RESEARCH METHOD

This study was based on qualitative data using a case study approach. Primary data were collected directly from PT. X and PT. B through face-to-face interviews with the risk management units, lasting approximately 60 to 90 minutes. The interview questions were adapted from Prasetyo, Tasya Regita (2024) with modifications to suit this study, structured around the risk management standards in *ISO 31000*.

After collecting the primary data, the analysis was used to assess risk management implementation at PT. X and PT. B. Secondary data consisted of organizational documentation such as PT. B's 2025 strategic plan, technical guidelines from both PT. B and PT. X, as well as risk management reports, risk registers, and risk analysis results obtained from PT. B.

RESULTS AND DISCUSSION

The evaluation process in this study refers to the ISO 31000 standard, which serves as the risk management guideline used by the subsidiary PT. B. The analysis aims to identify the implementation of risk management in adopting and integrating risk management practices into all business activities of the company. Below is an explanation of the analysis of PT. B's risk management implementation in accordance with the ISO 31000 risk management standard.The analysis in this study focuses on identifying how the company adopts risk management principles and integrates these principles into its business activities. Integration is a fundamental foundation of the ISO 31000 risk management principles. It emphasizes that risk management must be an integral part of all organizational activities and not merely a separate function.

According to interviews with the Corporate Performance & Risk Specialist at PT. B, the company conducts risk identification every month. However, risk identification at PT. B is focused only on top risks. The risk identification process also involves relevant work units; for example, financial risks are discussed between the risk management unit and the finance unit. In implementing risk management, PT. B does not yet have a dedicated system for managing risk management. Coordination meetings and emails are used to communicate with relevant work units during the risk management process. PT. B plans to implement an integrated system to meet risk management needs in 2025.

Based on the interview results, PT. B has conducted risk identification through the Corporate Performance & Risk Specialist. However, risk management has not been carried out comprehensively and still focuses primarily on top risks. PT. B does not yet have an integrated system for risk management within the company, so risk management cannot be performed in real time. Therefore, it can be concluded that PT. B has not yet fully implemented the integrated risk management principle related to risk management in the company.

The structured and comprehensive principle in ISO 31000 risk management emphasizes the importance of a systematic and thorough approach throughout the entire risk management process to enable better decision-making and sustainable protection of organizational value. According to the interview with the Corporate Performance & Risk Specialist at PT. B, the company has conducted risk management processes based on risk management guidelines. However, the risk management process at PT. B focuses only on certain top risks and is communicated monthly with the relevant work units. Risk identification also involves stakeholders through subsidiary meetings and quarterly meetings. Meanwhile, according to the interview with the President Director of PT. B, the risk management process has not yet been systematically implemented using an integrated system across all work units, and the implementation of a risk management system is planned to be applied in 2025. Communication regarding the risk management process involves relevant stakeholders for each risk.

Based on interviews with the Corporate Performance & Risk Specialist and the President Director of PT. B, it is concluded that the risk management process has not been conducted systematically but is communicated through formal coordination with all work units and stakeholders. Although the company has not conducted detailed risk identification, top risk identification has been performed and communicated monthly to parties directly related to those risks. Communication related to risks is conducted through coordination meetings and emails with the respective work units. Additionally, coordination meetings are held with relevant stakeholders for each risk.

According to ISO 31000, the risk management framework and processes should be proportionally tailored to the internal and external context of the organization as well as the objectives the organization aims to achieve. Based on the interview with the President Director of PT. B, the company has established risk priority levels based on existing risks, including risk mapping of potential risks that may arise in each project. An example of such potential risks includes overhead costs that may need to be incurred after project completion.

From the interview results, PT. B has implemented the principle of being tailored in its risk management application. The company has adjusted its risk management implementation according to its core business, which is construction, through ongoing construction projects. Risk categorization has also been carried out by PT. B, although this categorization focuses primarily on top risks.

The inclusive principle in ISO 31000 emphasizes the importance of involving stakeholders appropriately and at the right time in the risk management process. Engaging stakeholders allows the organization to consider their knowledge, views, and perceptions in the risk management process. According to the interview with the President Director of PT. B, the company has involved stakeholders in the risk management process. Coordination is conducted through meetings between PT. B and relevant stakeholders. PT. B has a risk mapping system, but in 2023, the risk mapping was revised to include stakeholders such as private construction companies, landowners, related regional-owned enterprises (BUMD), and other parties connected to the company's activities. In practice, updates based on actual conditions in the field are necessary.Based on the interview results, it can be concluded that PT. B has implemented the inclusive principle in its risk management practices. PT. B has involved various stakeholders and internal units within the company in carrying out risk management. The company has also considered adjustments related to risk mapping and practices on the ground.

The dynamic principle according to ISO 31000 emphasizes that risks can fluctuate in response to changes in the internal and external conditions of the organization, so risk management must be able to anticipate, detect, and respond to changes in a timely manner. According to the interview with the Corporate Performance & Risk Specialist at PT. B, risk identification has not been conducted in detail and remains focused only on top risks. PT. B also does not yet have an integrated risk management system to manage risk processes across all company activities. Meanwhile, the President Director of PT. B stated that the company has developed risk mapping involving relevant stakeholders, which in practice is adjusted according to actual conditions in the field.

From these interviews, it can be concluded that PT. B has not fully applied the dynamic principle in risk management because detailed risk anticipation has not been conducted, and the company still focuses primarily on top risks. Additionally, PT. B lacks an adequate system, so risk management is not carried out in real time. However, the company has made adjustments to risk mapping based on actual field conditions.

This principle also emphasizes that risk management must be based on the best available information that is accurate, relevant, timely, and accessible to the organization. Organizations do not need to wait for perfect information to manage risks but should use the best available information to make quick and appropriate decisions. With accurate and relevant information, organizations can effectively identify, analyze, and manage risks.

The interview with the Corporate Performance & Risk Specialist at PT. B revealed that in applying risk management, PT. B involves relevant work units for each potential risk. However, PT. B does not yet have a system for risk management, so risk management is not conducted in real time. According to the President Director of PT. B, the company has implemented risk management by involving relevant stakeholders such as private contractors, related regional-owned enterprises (BUMD), landowners, and other parties connected to the company’s activities. The company does not yet have a risk management system, which is planned for implementation in 2025. Based on these interviews, it can be concluded that the availability of information relies on data obtained from related work units and stakeholders. However, due to the absence of a risk management system, the availability of information is not yet real-time. Therefore, information availability in PT. B’s risk management has not been fully optimized.

The social and cultural factors principle according to ISO 31000 is an important element that influences all aspects of risk management within an organization. Social and cultural factors include the values, norms, behaviors, and attitudes held by individuals or groups within the organization that can affect the organization's effectiveness in managing risks.

Based on the risk management guidelines outlined in Board of Directors Regulation No. 18 of 2023, PT. B implements corporate culture through four core values called “I CAN,” which serve as a reference in conducting activities, including evaluating individual and team performance. These values are Integrity, Customer Focus, Achievement Orientation, and Nurturing Teamwork. According to an interview with the Corporate Performance & Risk Specialist at PT. B, the company involves every work unit in risk identification. The 2023 Annual Report states that one of the objectives of risk management is to build awareness of cautious behavior and the ability to manage risks according to the position and responsibilities of each work unit managing risks.

Based on interviews and company documents, PT. B has considered social and cultural factors in managing risks through risk management guidelines related to corporate culture. PT. B also fosters risk awareness among all employees by involving work units in risk management so that each unit understands the risks that may potentially hinder the company.

The continuous improvement principle according to ISO 31000 emphasizes that the risk management process needs to be consistently enhanced based on lessons learned from experience and routine evaluations. Through ongoing improvements, organizations can manage risks more effectively and efficiently by minimizing negative impacts and maximizing opportunities.

An interview with the President Director of PT. B revealed that the company has made three adjustments to the risk management guidelines during 2022–2024 in line with business developments. These adjustments were supported by the risk management unit from the parent company, PT. X. Meanwhile, the Head of Enterprise Risk Management and Compliance Department at PT. X stated that PT. X monitors PT. B's risk management implementation, focusing on top risks and risks aligned with PT. X. This monitoring is conducted quarterly by PT. X on PT. B.

Based on these interviews, it can be concluded that PT. B applies continuous improvement in its risk management implementation. PT. B conducts regular evaluations, although these focus on top risks and risks aligned between PT. B and PT. X. PT. B has also updated its risk management guidelines during 2022–2024. PT. X participates in monitoring and supporting the implementation of risk management at PT. B.

The principle of value creation and protection based on ISO 31000 supports organizations in creating added value while also protecting existing value. Through this principle, risk management not only focuses on avoiding losses but also on enhancing the overall value of the organization, thereby supporting its success and sustainability. According to an interview with the President Director of PT. B, the company was established in 2021 and is still focused on business development to enable continuous improvement. One of the risks considered by the company in every project is financial risk, which is used to assess sustainability after project completion. Financial risk is a particular concern for PT. B in risk management. PT. B plans to innovate in risk management, including developing a system scheduled for implementation in 2025.

Based on the interview, it can be concluded that PT. B has not yet fully implemented the principle of value creation and protection. The company is still focused on business continuity by identifying risks related to projects that have been carried out. Innovation in risk management includes the implementation of a system planned for 2025.

After analyzing the application of risk management principles at PT. B, the researcher conducted an analysis related to the implementation of the risk management framework at PT. B. This analysis refers to the identification of company divisions in adopting the risk management framework and integrating it into business activities. Integration in the ISO 31000 risk management framework emphasizes that risk management should be a comprehensive and inseparable part of all organizational activities.

An interview with PT. B's Risk Management Specialist revealed that the company does not yet have a dedicated risk management team. Risk management at PT. B is still under the Corporate Strategy department. Due to limited resources in risk management, PT. B involves each relevant working unit in risk identification. Therefore, decision-making related to risks involves the respective units concerned. The company also has not involved experts in risk management and does not yet have a dedicated risk management system, still relying on simple tools. Based on the interview, it can be concluded that integration within PT. B's risk management framework has not been fully achieved. PT. B does not yet have adequate risk management unit resources or an integrated system for risk management implementation. Risk decision-making has involved relevant working units and is focused on top risks.

The design in the ISO 31000 risk management framework functions as the process of designing the risk management framework to align with the organization's needs. An interview with the Risk Management Specialist of PT. B revealed that risk identification involves internal company units related to each risk. However, in risk analysis, the company lacks a supporting system. Risk analysis is not conducted in detail and focuses only on top risks. For risk evaluation, PT. B uses a risk register and risk appetite. Meanwhile, according to the President Director of PT. B, risk identification involves all stakeholders such as private contractors, land providers, related regional-owned enterprises (BUMD), and other parties. Based on these interviews, PT. B has not yet maximally implemented the design aspect within the risk management framework. One aspect is that the use of data analytics or technology in risk management has not been applied. Risk identification is still not detailed and remains focused on top risks, although it does involve relevant working units.

Implementation within the risk management framework involves consistently and comprehensively applying the designed framework across all units and organizational processes. This implementation must ensure that risk management operates effectively and is integrated into organizational activities. The interview with the President Director of PT. B indicated that the risk management unit lacks sufficient resources. The roles and responsibilities of the risk management unit are still generally defined. According to the Risk Management Specialist, PT. B does not yet have a dedicated risk management unit; it is still under the Corporate Strategy department. Communication in managing risk is still conducted through simple media such as email and coordination meetings between related units and stakeholders. There is no dedicated dashboard for documenting risk management reporting.

Based on the interviews, it can be concluded that the implementation of the risk management framework is still not optimal. The assignment and definition of roles and responsibilities remain general, and resources within the risk management unit are limited. Communication related to risk management still uses simple means such as email, coordination meetings, and basic document recording.

Evaluation functions to assess the effectiveness of risk management implementation within the organization. Evaluations are conducted periodically to ensure that risk management runs according to predetermined objectives and delivers the expected results for the organization. The President Director of PT. B stated that in the company's founding year, PT. B created a Corporate Scorecard (Balanced Scorecard) but it was not cascaded down to individuals or departments. However, in 2023, the company began setting Key Performance Indicators (KPIs) down to the individual and departmental levels. In 2025, a revision or new method for achieving KPIs is being prepared. Meanwhile, the Risk Management Specialist noted that during 2023–2024, risk evaluations were conducted based on KPIs through risk maturity assessments.

From these interviews, it can be concluded that the evaluation within the risk management framework has not been fully implemented because a risk management system audit has not yet been conducted. PT. B does not yet have a dedicated risk management system. Although a system audit has not been done, PT. B has evaluated company performance through

KPIs based on risk maturity since 2023. The Balanced Scorecard has been in use since the company's establishment and has been adjusted during the year to support its implementation.

Continuous improvement aims to ensure that the effectiveness and relevance of risk management are consistently maintained over time. ISO 31000 risk management emphasizes that risk management must be a dynamic, iterative, and responsive process to changes in the organization's internal and external environment. An interview with the President Director of PT. B revealed that the company has created risk mapping for each project undertaken, and in practice, it is adjusted according to the actual conditions in the field. Risk identification has been conducted, especially regarding financial risks, which are a particular concern for PT. B. Financial risks include overhead costs that may need to be incurred after the completion of projects carried out by PT. B.

Based on the interview results, it can be concluded that PT. B has not yet fully implemented continuous improvement in risk management. Continuous improvement is still focused on existing needs and uses simple tools. PT. B has developed risk mapping related to potential risks, such as financial risks, for each project undertaken. PT. B plans to innovate in risk management implementation, particularly by implementing a risk management system in 2025.

Leadership and commitment are essential elements within the risk management framework. Leadership and commitment refer to a leader's ability to influence others to achieve common goals and possess a strong determination to carry out tasks. The role of top leadership is crucial in ensuring that risk management is comprehensively integrated through the organization's culture, strategy, and activities.

According to the risk management guidelines regulated by the Board of Directors Regulation No. 18 of 2023, the company's vision and mission have been established. In addition to the company's vision and mission, the guidelines explain the risk management commitment statement as a follow-up to the risk control management system charter. An interview with the President Director of PT. B stated that the company holds regular meetings related to risk identification with relevant stakeholders. The company has established risk priorities, but risk management still focuses on top risks. Meanwhile, the Risk Management Specialist of PT. B mentioned that the company does not yet have a dedicated risk management unit and that risk management is still under the Corporate Strategy department.

Based on the interviews and supporting company documents, it can be concluded that leadership and commitment in implementing risk management have been carried out, although not yet optimally. One reason is that PT. B has not allocated sufficient resources to support risk management implementation. Risk management personnel are still limited and remain under the Corporate Strategy department. The company's risk management guidelines have outlined management's commitment as well as the company's vision and mission in supporting risk management within the organization.

After analyzing the principles and framework of risk management at PT. B, the researcher conducted an analysis related to the implementation of the risk management process at PT. B. This analysis refers to the identification of company divisions in adopting the risk management process and integrating it into the company's business activities. Defining the scope is a crucial initial step in the risk management process to determine the boundaries and extent of risk management implementation within the organization. This stage serves as the foundation to ensure that the risk management process can be effectively tailored to the organization's needs and characteristics.

An interview with the Risk Management Specialist of PT. B revealed that risk identification is conducted routinely on a monthly basis and involves relevant working units related to the identified risks. Coordination is carried out through meetings and emails. Risk identification has not been conducted using a dedicated system because PT. B does not yet have a risk management system. Meanwhile, according to the President Director of PT. B, the company has identified relevant stakeholders related to the projects undertaken. Relevant stakeholders include private contractors, land providers, related regional-owned enterprises (BUMD), and other parties associated with PT. B's projects.

Based on the interview results, it can be concluded that the determination of scope in risk management implementation has been carried out but not yet optimally. Major risk identification has been conducted regularly on a monthly basis. Risk identification is not detailed and still focuses only on top risks. Risk management does not use a dedicated system because the company does not yet have a risk management system. Stakeholder identification has been conducted for each project undertaken by PT. B to communicate potential risks in every project. PT. B conducts regular coordination meetings with relevant stakeholders.

Risk assessment includes three main elements: risk identification, risk analysis, and risk evaluation. The risk assessment process is carried out systematically and collaboratively to ensure that risks that may hinder the achievement of organizational objectives are properly recognized, analyzed, and evaluated. An interview with the Risk Management Specialist of PT. B stated that the risk management process is conducted by each relevant working unit and routinely performed every month. Risk identification is not detailed and still focuses on top risks. The determination of risk priority levels is done by the risk management unit based on an overall picture of the potential risk magnitude. Risk analysis conducted by the company does not yet use a dedicated risk management system.

Based on the interview results, it can be concluded that the implementation of risk assessment is still not fully optimal. The risk management process is still carried out using simple tools and has not yet adopted a risk management system. The risk management process has been conducted, although it still focuses on top risks. PT. B has created a risk register based on risk priority levels derived from the magnitude of potential risks.

Risk Treatment is the stage where the organization takes actions to modify the evaluated risks to align with acceptable risk criteria. This stage aims to reduce the likelihood of risks occurring as well as their impacts, so that risks can be controlled and do not hinder the achievement of organizational objectives. An interview with the Risk Management Specialist of PT. B revealed that the company has determined risk criteria based on the magnitude of potential risks. The prioritization of risk levels is decided by the risk management unit. This unit has established criteria related to impact assessment and risk mitigation. However, the company does not yet have a dedicated unit capable of implementing risk mitigation strategies within the organization and lacks a specialized risk management system. Based on the interview, it can be concluded that the implementation of risk treatment at PT. B has not been maximized due to limited resources and the absence of a dedicated risk management system.

Risk treatment within the company is not conducted in detail but rather focuses on significant risks.

Review and Monitoring are ongoing activities aimed at ensuring the effectiveness, adequacy, and appropriateness of risk management implementation within the organization. This stage is an integral part of the risk management cycle that helps the organization adjust and improve risk management in response to changes in context and risk conditions. According to the Risk Management Specialist of PT. B, since 2023, the company has used KPIs to monitor risks. Risk management KPIs relate to the company's risk maturity and are conducted annually. Documentation related to risk management reporting is not centralized and is still stored in Google Drive files. The President Director of PT. B stated that risk monitoring and review are the responsibilities of the Board of Directors (BOD) and the Board of Commissioners towards shareholders, with communication conducted through annual meetings. Risk reports are also provided to banks related to loan applications. The risk management review process involves the parent company, PT. X. Based on the interviews, it can be concluded that review and monitoring have not been fully optimized because they are conducted only once a year. PT. B does not yet have its own system, such as a dashboard, to enable real-time review and monitoring.

Communication and Consultation are ongoing activities to ensure understanding, involvement, and support from all stakeholders regarding the risks faced within the organization. The President Director of PT. B mentioned that risk management reporting related to risk maturity is conducted through the Annual General Meeting of Shareholders (AGMS), held once a year. The AGMS is a responsibility of the BOD and Board of Commissioners and involves PT. X as the parent company. The results of the AGMS are documented in writing within the company. Risk management reporting during the AGMS is presented together with other KPIs such as customer satisfaction index, cost productivity ratio, revenue achievement, and other internal business process matters. Based on the interview, it can be concluded that communication and consultation have been carried out, but reporting on risk management results has not been done separately. Reporting to stakeholders is conducted annually through the AGMS and is combined with the assessment of KPIs from the company's internal business processes.

CONCLUSION

The study found that PT. B recognizes the importance of risk management and has initiated related practices, but its implementation is not fully aligned with the ISO 31000 standard. Risk management lacks an integrated, real-time system and mainly focuses on top risks, with periodic evaluations led by the parent company, PT. X. PT. B's risk management unit also lacks sufficient resources, conducting reviews and monitoring only annually without a real-time dashboard. Reporting is integrated with broader company reports rather than presented separately. Future research could explore the development and impact of integrated, real-time risk management systems and resource enhancement in subsidiaries like PT. B to improve compliance and effectiveness.

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