GOVERNANCE RESILIENCE FRAMEWORK | CONTROLLED CASE STUDY

From Accounting Signal to Institutional Closure

A controlled longitudinal GRF case study of ArcelorMittal Zenica / ArcelorMittal Group, 2021–2026

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Central proposition: The existence of policies, reporting channels and a formally completed investigation is not equivalent to evidence of functional protection, auditable remediation and institutional learning. This study tests where a documented signal was preserved, where mechanisms responded, and where continuity of accountability remains insufficiently visible.

A documentary and methodologically bounded public study. It does not determine criminal, tax, civil or individual responsibility and is not an audit opinion, certification, or proof that the case caused a sale or insolvency.

Abstract

This study applies the Governance Resilience Framework (GRF) to a documented sequence concerning inventory differences, accounting classification, VAT treatment, SOX controls, professional objection, internal reporting, employment measures, a corporate investigation and a change of control involving ArcelorMittal Zenica and ArcelorMittal Group. Its purpose is not to confirm a predetermined allegation, but to test whether a governance signal produced timely protection, independent investigation, auditable remediation and institutional learning.

The controlled record consistently describes a specific accounting-control dispute, a contemporaneous professional refusal to perform the requested reclassification, Group-level reporting before the most serious employment measures, final judgments annulling suspension and dismissal, and the later formal completion of an external corporate investigation accompanied by communicated measures or recommendations. The record does not close the evidentiary threshold for tax fraud, criminal intent, a final legal finding of retaliation, material misstatement of consolidated accounts, or causation of a sale, production closure or insolvency.

> **Principal finding:** Formal closure of the investigation is documented. Procedural, substantive and learning closure remain insufficiently auditable because the public record does not disclose complete allegation-level findings, measure owners, deadlines, implementation evidence, effectiveness testing or a clear post-transaction accountability trail.

Keywords: governance resilience; accounting integrity; management override; speak-up; retaliation; institutional learning; remediation; change of control; effective remedy.

Transparency and independence limitation

The author is also the reporting person and a participant in the event sequence examined. This does not invalidate documented dates, the content of official acts or reproducible arithmetic. It does require enhanced source discipline, independent verification and a prohibition on treating the author’s interpretation as self-validating evidence. The study therefore separates primary acts, statements made by others, analytical inference and legal characterisation.

1. Public-interest purpose and research problem

The case is relevant beyond an individual dispute because it tests how a professional accounting signal moved through local management, Group functions, a speak-up channel, courts, an external investigation, a corporate transaction and a later insolvency context. A single case cannot establish national or corporate prevalence. It can identify points at which formally existing mechanisms lose functional continuity.

1.1. Research questions

1. Was the signal sufficiently specific, timely and documented to activate control and protection functions?
2. Who knew about the signal, when, and with what authority to investigate it or prevent an adverse measure?
3. Did accounting documentation, segregation of duties, approval authority and independent review operate effectively?
4. Could a professional objection be raised without adverse consequences?
5. Can the investigation mandate, evidence base, findings and closure standard be independently reconstructed?
6. Is there an identified owner, deadline, implementation record and effectiveness test for each corrective action?
7. Who retained responsibility for investigation and remediation after the change of control?
8. Was the individual case converted into organisational memory and prevention of recurrence?

2. GRF: from compliance form to governance resilience

GRF treats compliance as institutional infrastructure: a system for preserving information integrity, weak signals, decision reasons, remediation and organisational memory. It draws on governance, compliance, whistleblowing and responsible-business-conduct standards, while adding a transmission test linking internal capability to stakeholder confidence and economic resilience. [R1–R4]

1. SIGNAL / GOVERNANCE	2. MEMORY	3. ADAPTATION	4. CONFIDENCE	5. TRANSMISSION	6. FRAGILITY

The transitions are not automatic. Each requires evidence of temporal ordering, a mechanism, competing explanations and potential break conditions. Timely escalation, independent review, reporting-person protection, corrective action and effectiveness testing can interrupt a negative pathway.

2.1. Four capability domains

Domain	What it tests	Typical evidence
GOV – Governance	Accountability, authority, challenge, escalation and decision traceability.	Delegation of authority, minutes, approval flow, decision record.
CMP – Compliance	Controls, investigation, corrective action and recurrence monitoring.	SOX/control records, case file, remediation tracker.
SPK – Speak-Up	Intake, trust, impartiality, protection and closure quality.	Intake, case ID, feedback, non-retaliation review.
LRN – Learning	Institutional memory, conversion of findings into change and retesting.	Lessons learned, policy/control changes, effectiveness evidence.

Measurement safeguard: Capability, inherent exposure, control effectiveness and subsequent outcomes must remain separate. Insolvency, litigation or high reporting volume must not retroactively determine an earlier governance score.

3. Methodology and evidentiary discipline

The study uses frozen time windows, stable source identifiers, separate reporting levels and explicit limits on evidentiary use. A claim is accepted only within the scope that a particular document can support. Repetition of the same claim in multiple author-derived documents does not create multiple independent confirmations.

Category	Meaning
Established fact	A final judgment or authoritative original act, within the mandate of that source.
Documented fact	The content of an email, letter, minutes or corporate record.
Statement content	Evidence that a statement was made; its substantive accuracy requires separate verification.
Analytical inference	A conclusion drawn from several consistent sources with a stated competing explanation.
Legal characterisation	Application of a legal threshold reserved for a competent body or court.
NE / not established	Insufficient basis for a rating; NE is not equivalent to the lowest performance score.

3.1. Units and time packages

Package	Period	Permitted function
AMZ-T0	2021	Pre-dispute professional baseline; no guaranteed promotion inference.
AMZ-T1	1 Jan–30 Nov 2022	Inventory signal and early speak-up without later judicial knowledge.
AMZ-T2	1 Dec 2022–30 Apr 2023	Posting, SOX/DoA, reorganisation, suspension and dismissal.
AMZ-T3	1 May 2023–30 Oct 2025	Judicial and pre-transfer developments.
AMG-T1	14 Feb–30 Oct 2025	Group awareness, mandate and investigation before transfer.
AMG-T2	31 Oct 2025–30 Jan 2026	Post-transfer continuity and Central Oversight Function conclusion.
OUT-W1	After the relevant cut-off	Sale, continuity, insolvency and recovery only as separate outcomes.

Authenticity boundary: The consolidated email rendering is not a substitute for native .msg/.eml files, full headers, Message-ID data, server audit logs and hashes of original attachments. A hash of a derivative PDF proves the identity of that file, not the truth of the events it describes.

4. Controlled factual reconstruction

Date	Documented event in the controlled record	Bounded evidentiary use
16 Jul 2021	Pre-dispute professional and leadership assessment.	Professional baseline; not a guaranteed role or income.
7–15 Nov 2022	Management Committee/EthicsPoint signal and direct Group-level report.	Receipt and the then-current content of allegations; not automatically an effective response.
6 Jan 2023	Request to reclassify inventory differences to cost of goods sold.	The request is documented; final execution requires the SAP trail.
9–10 Jan 2023	A complete Stock Take Report is requested; the record states it still had to be completed; a professional refusal follows.	Strong indication of a documentation gap when the posting was requested.
11–12 Jan 2023	Direct CEO instruction linked to the VAT result; reported PWC/EY positions.	Evidence of the instruction and reported statements, not auditor scope or an unlawful tax result.
31 Jan–20 Apr 2023	Reorganisation, loss of managerial function, suspension and dismissal.	Temporal sequence and adverse action; motive requires a separate test.
7 Feb–8 Apr 2025	Final employment judgments annul suspension and dismissal.	Strongest independent layer within the holdings and reasoning of those judgments.
14 Feb–30 Oct 2025	Group case, external investigation and change of control.	The open investigation predates transfer; allocation of obligations is not shown.
3 Dec 2025	Luxembourg NCP closes the specific-instance process.	NCP conclusion within its temporal record; not an adjudication on the merits.
30 Jan 2026	Central Oversight Function communicates completion, measures and recommendations.	Formal closure and a general remediation signal; details and effectiveness remain open.
12 Aug 2026	Insolvency proceedings opened over the post-transfer company.	Later outcome and recovery context; not proof that the earlier signal caused insolvency.

5. Findings

5.1. Accounting signal and management-override risk

The strongest sequence links an ex ante requirement for a complete inventory report, a statement that the report had not yet been completed, the reclassification request, a written professional refusal and a direct hierarchical instruction. This supports a finding of elevated management-override risk and the need for independent control escalation. It does not, by itself, prove fraud, intent, an inaccurate VAT return or unlawful gain.

Separate test	Evidence required
Technological justification	Cause, quantity, applicable norm, material, period and item-level commission analysis.
VAT treatment	Applicable law, reported quantity/value, return, amendment and any Indirect Taxation Authority finding.
Accounting classification	Economic nature, IAS 2, policy, account, journal trail and disclosure.
Control authorisation	Delegation of authority, threshold, approval, segregation, review and retesting.

5.2. Speak-up: receipt is visible, protective effect is not closed

The record identifies parallel reporting routes and Group-level knowledge before the most serious employment measures. Receipt is therefore documented. The public record does not sufficiently disclose a single case owner, deduplication, early triage, interim protection, a non-retaliation decision, deadlines or reporter feedback. The formal existence of a channel must therefore be distinguished from its operating effectiveness.

5.3. Judicial baseline and limits of a retaliation conclusion

According to the controlled record, final judgments provide an independent basis for stating that the suspension and dismissal did not stand and that the alleged serious disciplinary basis was not proven in the relevant proceedings. This materially weakens the explanation that the adverse action was simply a response to non-performance. A final retaliation finding nevertheless requires a separate legal test: protected activity, decision-maker knowledge, adverse action, causation and assessment of legitimate alternative reasons.

5.4. Investigation: formal closure without full public auditability

The Central Oversight Function communication, as reproduced in the controlled record, confirms completion of an external investigation and links the result to measures or recommendations. The public study does not possess the full mandate, evidentiary standard, allegation-level findings matrix, reasoning, corrective-action register or effectiveness test. This does not prove that the investigation was invalid. It establishes that substantive and learning closure cannot be independently verified from the public trail.

5.5. Change of control and the accountability gap

The change of control preceded formal investigation closure by three months. This timing does not establish a motive for the sale. It creates a distinct governance question: who owned the findings, individual remediation, systemic measures and effectiveness testing after transfer? Without due-diligence disclosures, warranties, indemnities, provisions or a transition plan, the available record does not show a closed transfer of accountability.

> **Responsible-exit principle:** A corporate transaction should not render a previously received Group-level grievance, an open investigation or subsequent corrective obligations practically ownerless.

5.6. Subsequent outcomes and the prohibition on retrospective causation

Sale, production closure, financial stress and insolvency may be used as separate outcomes for examining remedy access, continuity and economic transmission. They cannot be used as proof that an individual accounting signal caused the sale or insolvency. Such a conclusion would require an independent financial and governance reconstruction, temporal priority, a mechanism, a counterfactual and control of competing causes.

6. GRF transition matrix

Transition	Status	Basis	Limitation
Signal → escalation	Supported	Multiple channels and Group-level communication.	Early response trail is fragmented.
Escalation → investigation	Partly supported	A later external investigation is documented.	Delay, mandate and early review remain unclear.
Investigation → findings	Formally supported	COF reports an investigation-based conclusion.	Findings matrix and reasons are unavailable.
Findings → remediation	Partly supported	Measures/recommendations are reported.	Owner, deadline, implementation and personal remedy are not visible.
Remediation → effectiveness	NE	No public retest.	Reduced recurrence risk cannot be inferred.
Speak-up → adverse action	Limited support	Knowledge, timing and judicial baseline.	Retaliatory motive was not finally determined.
Adverse action → independent review	Established	Final judicial process.	Does not decide every later claim.
Remediation → learning	NE	General recommendations exist.	Diffusion, institutionalisation and monitoring are not shown.
Investigation → transition ownership	NE	Closure followed transfer.	No available allocation of obligations.

7. Four levels of closure

Level	Minimum requirement	Finding in the public record
Formal	Administrative completion of the case.	Documented through the COF communication.
Procedural	Mandate, scope, evidence, findings, reasons and review can be reconstructed.	Partial; the complete trail is unavailable.
Substantive	Consequences are addressed; owners, deadlines and action status are identified.	Not established.
Learning	System change, diffusion of lessons and independent effectiveness testing.	Not established.

> **GRF conclusion:** The study shows visible formal capability but incomplete transitions to timely protection, transparent remediation, transition ownership and demonstrable institutional learning.

8. Competing explanations

Hypothesis	Supporting indication	Counter-indication	Status
Neutral accounting disagreement	Prior practice and reliance on a norm/VAT treatment.	Incomplete documentation, written refusal and hierarchical instruction.	Possible, but does not explain the full sequence.
Legitimate reorganisation	Separating accounting and controlling can improve segregation.	Timing, selective impact and later reliance on the same dispute.	Requires business case and comparators.
Performance-based dismissal	Employer relied on failure to comply with a request.	Judicial baseline reportedly rejects proof of a serious breach.	Materially weakened.
Reporting contributed to adverse action	Knowledge, timing and functional connection.	Incomplete decision-maker record; other reasons remain possible.	Highly relevant inference, not a final legal finding.
Late investigation produced correction	COF reports measures and recommendations.	No public owner, implementation record or retest.	Partly documented.
The case caused sale/insolvency	Only temporal proximity and an unresolved case.	No closed financial or governance causal chain.	Must not be used as a conclusion.

9. Claim–evidence–boundary matrix

Claim	Public status	Process-safe formulation
A COGS reclassification was requested and professionally refused.	Documented in the controlled email derivative.	The request and professional reason for refusal were recorded contemporaneously; native digital authentication remains required.
The CEO instruction was linked to the VAT result.	Documented as communication content.	Evidence of the stated objective, not an inaccurate return, intent or unlawful benefit.
PWC/EY approved or rejected the specific account.	Not established from the original opinion.	Only the fact that particular positions were reported to management is established.
Suspension and dismissal were annulled.	Reported as a final judicial baseline.	May be stated within the holdings and reasoning of the judgments.
Reorganisation/dismissal constituted retaliation.	Open inference and legal characterisation.	A serious functional connection justifies a separate retaliation test.
COF confirmed every allegation.	Not established.	COF confirms closure and measures/recommendations, not every allegation.
The case caused the sale or insolvency.	Insufficient basis.	Must not be asserted.

10. EU and OECD policy relevance

The case is relevant as a qualitative stress test of the protection chain, not as proof that a specific Reform Agenda payment condition formally failed. The European Commission’s 2025 Bosnia and Herzegovina Report describes continuing weaknesses in whistleblower protection and judicial functioning. Reform Agenda step 4.3.1.1 requires a state-level whistleblower-protection law aligned with the EU acquis and subsequent alignment at other levels. Directive (EU) 2019/1937 offers a functional benchmark for personal scope, prohibition of retaliation, support, burden of proof, interim protection and full remedy. [R5–R8]

Monitoring axis	Question tested by the case	Minimum evidence
Personal scope	Does protection cover reporting persons in private and mixed corporate settings?	Law, reasoned status decisions and coverage analysis.
Competent authority	Is there one accountable entry point or a binding referral pathway?	Mandate map, owner, case ID and deadline.
Interim protection	Can adverse action be paused before irreversible harm?	Available and enforceable interim remedy.
Burden of proof	Must the respondent justify adverse action after a prima-facie reporting connection?	Statutory rule and reasoned application.
Investigation	Does the public-interest concern receive an independent, reasoned, reviewable outcome?	Scope, evidence base, findings and review route.
Remedy and enforcement	Does a favourable outcome produce practical restoration before delay or insolvency defeats it?	Enforcement status, time, costs and recovery.
Institutional learning	Do cases produce changes in mandate, controls and public reporting?	Corrective-action register and effectiveness testing.

11. Recommendations

11.1. Corporate actors

- Publish a redacted investigation mandate, finding categories and methodology without disclosing privileged or personal data.
- For each action, identify an owner, deadline, implementation status, evidence and independent effectiveness test.
- Explain how the open investigation was treated in transaction due diligence and who assumed obligations after transfer.
- Separate individual remediation, process correction and Group-level institutional learning.
- Provide a reasoned review or appeal trail that can be independently reconstructed.

11.2. Institutions and EU monitoring

- Measure functional private-sector coverage, not formal legislative adoption alone.
- Publish a mandate map, referral ownership and maximum timelines for protection decisions.
- Track time to interim relief, final remedy and enforcement, including insolvency-related recovery risk.
- Use anonymised case studies together with aggregate data; one case does not establish prevalence.
- Create cross-mechanism feedback where a material later finding emerges after another process has closed.

11.3. Future GRF validation

- Freeze the protocol, coding handbook, data dictionary and statistical analysis plan before real-case coding.
- Complete genuinely independent double coding and reliability analysis before adjudication.
- Separate development, reliability, internal-validation and external-replication samples.
- Do not publish a composite score for this case until coverage, evidence-quality and reliability gates are satisfied.

- Retain the possibility of revising or rejecting an indicator when the evidence does not support the construct.

12. Conclusion

The case illustrates the difference between the existence of a governance mechanism and its resilience. According to the controlled record, the signal was specific, professionally reasoned and escalated at an early stage. Judicial review and an external corporate investigation later occurred. It would therefore be inaccurate to claim that no system existed.

At the same time, a fragmented early response trail, delay, unavailable allegation-level findings, unidentified action owners, a change of control before formal closure and the absence of public effectiveness testing show where formal compliance ceases to be sufficient. The most defensible result is not that every reported allegation has been proven. It is a precisely located governance problem: a serious control signal and professional objection were documented, while substantive remediation, transition ownership and institutional learning have not been demonstrated in a sufficiently auditable manner.

> **Final GRF assessment:** The study confirms the utility of GRF for disciplined organisation of a complex longitudinal record. It does not validate the framework, assign a composite rating, or establish that the case caused a sale, production closure or insolvency.

References

ID	Reference
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[C2]	AMZ–AMG GRF v2.2.1 Complete Controlled Longitudinal Study, 27 August 2026.
[C3]	Accounting Integrity, Management Override and Evidentiary Continuity – forensic professional draft, 27 August 2026.
[C4]	Reform Agenda Policy-Monitoring Submission, 24 August 2026.
[R1]	ISO 37000:2021, Governance of organizations — Guidance. https://www.iso.org/standard/65036.html
[R2]	ISO 37301:2021, Compliance management systems — Requirements with guidance for use. https://www.iso.org/standard/75080.html
[R3]	ISO 37002:2021, Whistleblowing management systems — Guidelines. https://www.iso.org/standard/65035.html
[R4]	OECD (2023), Guidelines for Multinational Enterprises on Responsible Business Conduct. https://doi.org/10.1787/81f92357-en
[R5]	European Commission, Bosnia and Herzegovina 2025 Report, SWD(2025) 751 final. https://eur-lex.europa.eu/legal-content/EN/TXT/?uri=CELEX:52025SC0751
[R6]	Commission Implementing Decision C(2025) 8042 final. https://enlargement.ec.europa.eu/document/download/b94fe222-e437-46db-87f0-397c16bf2820_en
[R7]	Bosnia and Herzegovina Reform Agenda, Annex I, step 4.3.1.1. https://enlargement.ec.europa.eu/document/download/2ba704e5-f1f8-4b59-88b1-009ba137312c_en
[R8]	Directive (EU) 2019/1937 on the protection of persons who report breaches of Union law. https://eur-lex.europa.eu/eli/dir/2019/1937/oj/eng
[R9]	IFRS Foundation, IAS 2 Inventories. https://www.ifrs.org/issued-standards/list-of-standards/ias-2-inventories/
[R10]	IESBA, International Code of Ethics for Professional Accountants. https://www.ethicsboard.org/iesba-code
[R11]	OECD, Procedural Guidance for National Contact Points. https://legalinstruments.oecd.org/public/doc/233/body-text.en.html

Appendix: priority requests to close the evidentiary chain

- Native .msg/.eml files for key communications, full headers and server audit logs.
- SAP journal ID, change/user logs, approval workflow, posting keys and reversal history.
- All versions of the Stock Take Report, commission minutes, norms and item-level analysis.
- Original PWC/EY opinions with scope and date.
- VAT returns, amendments, Indirect Taxation Authority communications and any control finding.
- Full mandate, evidence log, report and findings matrix of the external investigation.
- Corrective-action register with owners, deadlines, implementation and effectiveness testing.
- Transaction due-diligence and documents allocating open compliance and remedial obligations.
- Independent Assessor B coding and a locked pre-adjudication record.

End of public study.