
Internal Audit Considerations in the Context of Corporate Governance

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Abstract

The globalised economic environment, exposed to financial, health, political and social turbulence, creates uncertainties and challenges in the business environment. Thus, companies are exposed to a portfolio of interrelated, diverse and complex risks, which requires a proactive approach to their management, but also a relationship based on transparency, consistency, credibility, with stakeholders. From this perspective, internal audit and corporate governance are the pillars of an attractive and sustainable business environment. The research has two components: the first component includes a review of the literature and regulations in the field; the second component includes a quantitative research on the degree of compliance of companies in the oil and gas industry, included in the BET – NG index, in terms of internal audit from a corporate governance perspective. The results of the research revealed a heterogeneous evolution of compliance of the companies analysed, but also their continued efforts to improve their corporate governance and compliance practices to ensure a transparent, credible, accountable and sustainable business environment. In relation to the governance model adopted by companies, the analysis revealed an increase in internal audit compliance for companies that have adopted the dual model.

The research results add value on one hand to the literature and on the other hand to stakeholders in the oil and gas industry, the economic, social and regulatory environment in order to improve and strengthen corporate governance practices related to internal audit.

Key words: internal audit; corporate governance; compliance; oil and gas industry; Bucharest Stock Exchange; stakeholders;

JEL Classification: G38, M42, M48, M16

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Introduction

In the context of a global economy dominated by political, social and health turmoil, financial uncertainties at the corporate level are growing exponentially and the need for transparency and credibility among investors and other stakeholders is on the rise. Thus, the concern to proactively manage the risks to which companies are exposed, to ensure their long-term sustainability, and to build a transparent, coherent, credible and robust relationship framework with investors and stakeholders that meets their expectations, is of interest at the two-dimensional level. Therefore, internal audit and corporate governance are indestructible actors that create added value for companies.

The oil and gas industry is among the most exposed to multidimensional challenges, such as government policies, commodity prices, technological innovations, the Russian-Ukrainian war.

From this perspective, the objective of the research is to identify and analyze the degree of compliance of companies in the oil and gas industry, listed on the Bucharest Stock Exchange (BVB), in terms of internal audit, from a corporate governance perspective.

We believe that the results of the research will add value to the literature, but will also be useful to stakeholders in the oil and gas industry, the economic, social and regulatory environment in order to improve and strengthen corporate governance practices on internal audit.

The paper is structured as follows: the first section is devoted to conceptual approaches; the second section presents the research methodology, and the third section includes the results and discussion. Last but not least, the paper concludes with conclusions, research limitations and future research directions.

Literature review

The upward trend in the importance of audit and internal and corporate governance at the corporate level has generated a diversity of approaches at the conceptual level as well. Using bibliometric analysis, Behrend and Eulerich (2019) highlighted the evolution of internal audit from being an information source for external audit to an influential player in corporate governance.

Tumwebaze et. al (2018) identified a positive and significant association between the internal audit function, corporate governance and accountability.

In the view of other authors (Khan and Liu, 2023), internal audit functionality and corporate governance significantly influence corporate sustainability, firm performance and environmental performance. The authors argue that CEOs and managers in top multinational companies in Pakistan should focus on internal audit functionality, which mediates corporate governance which in turn encourages corporate sustainability, firm performance and environmental performance. A similar idea is supported by Alfalah et al. (2022). Research results obtained by investigating the opinions of managers of companies in the telecommunications industry in Saudi Arabia revealed that corporate governance actors, internal audit, internal audit committee, and board size, show a significant and positive relationship with company performance.

By appealing to institutional theory and agency theory, Rehman (2021) believes that corporate governance has a direct and significant impact on internal audit, and in order to meet shareholder expectations, internal audit must comply with corporate governance regulations and practices.

The results of the research conducted by El-Sayed Ebaid (2021) by investigating the opinions of internal audit managers of companies listed on the Egyptian Stock Exchange, revealed limitations of the internal audit function, and by implication, the limitation of its role in corporate governance.

From the perspective of companies listed on the Athens Stock Exchange, Vadasi et al. (2019) revealed that the value added by internal audit to corporate governance is affected by specific company characteristics such as CEO duality and audit committee quality.

In the context of an oil-based economy in Saudi Arabia, Alzeban (2015) finds that the defining elements of the audit committee, such as independence of members, audit and accounting skills, along with their interactions with internal audit management, have a significant impact on the level of compliance with the Professional Standards for the Practice of Internal Auditing. The length of tenure of the head of internal audit is also found to be another crucial aspect influencing compliance with these standards.

By analyzing the importance given to corporate governance at the level of 16 non-financial companies listed on the Bucharest Stock Exchange, the results of the research conducted by Crina (2016) revealed a degree of compliance of over 70% with the provisions of the Corporate Governance Code.

The results of other studies conducted in the literature (Rogoz and Stoica, 2022) on the analysis of category B – of the Statement *Comply or Explain* on a sample of companies listed on the Bucharest Stock Exchange between 2017 and 2019, showed a positive evolution of the index measuring the degree of implementation of corporate governance recommendations for all recommendations in category B of the compliance statement. However, a significant percentage of companies did not comply with the CGC recommendations regarding the independence of directors and audit committee members.

From another perspective, the results of the study conducted by Albu and Girbină (2015) revealed significant difficulties in the application of the "Comply or explain" statement in the case of companies traded on the Bucharest Stock Exchange between 2010 and 2011. Although there are gradual improvements, both in terms of the level of compliance with corporate governance recommendations and in terms of the quality of explanations provided in case of non-compliance, it is considered that considerable efforts are needed to reach international standards in this area. However, there is a tendency for larger, blue-chip companies and those with larger boards of directors to comply better with corporate governance principles and to provide more detailed explanations for non-compliance.

In terms of audit committee independence, 13 companies out of a sample of 16 do not ensure the independence of the audit committee according to the Corporate Governance Code. The independence of the board of directors, as well as compliance with the regulations in force regarding its composition, is ensured in only 27% of cases (Feleagă et al, 2011).

With reference to the relevant national regulations, internal audit work should assess and contribute to improving governance processes. In this regard, internal audit should assess risk exposures related to the organization's governance, operations and information systems, on: meeting the organization's strategic objectives, reliability and integrity of financial and operational information, effectiveness and efficiency of operations and programs, safeguarding of assets, compliance with laws, regulations, policies, procedures and contracts (Internal Audit Standards, 2017).

Entities whose annual financial statements are subject, by law, to statutory audit are obliged to organize and ensure the exercise of internal audit activity, according to the law (Law 162/2017).

Companies must also organise internal audits to independently assess, on a regular basis, the safety and effectiveness of their risk management and internal control system and corporate governance practices. From the same perspective, an independent audit committee should exist at company level that can ensure the integrity of financial reporting and internal control system, including internal and external audit procedures (CGC, 2017).

In terms of corporate governance models applicable to companies, local regulations present two governance models, namely the unitary model and the dualist model (Companies Act No. 31/1990 as amended).

The unitary corporate governance model has the following main features: the board of directors, i.e. the directors, must be appointed for a 4-year term by the General Meeting of Shareholders; the board of directors may set up advisory committees consisting of at least 2 board members and tasked with conducting investigations and making recommendations to the board in areas such as audit, remuneration of directors, officers, auditors and staff or nomination of candidates for the various management positions.

For the dualist model of corporate governance, the main coordinates are: the management of the company is the responsibility of the executive board and the supervisory board; the supervisory board may create advisory committees, i.e. remuneration committee, nomination committee, audit committee.

In view of the established objectives of the study, namely to identify and analyse the degree of compliance of companies in the oil and gas industry with regard to internal audit from a corporate governance perspective, the following research hypotheses were defined:

I1: The degree of compliance of oil and gas industry companies in terms of internal audit from a corporate governance perspective has improved with the adoption of the CGC.

I2: The degree of compliance of companies in the oil and gas industry, in terms of internal audit, from a corporate governance perspective, is influenced by the adopted corporate governance model.

Research methodology

In order to achieve the objective of the research, namely to identify and analyze the degree of compliance of companies listed on the BVB with the provisions of Section B Risk Management and Internal Control System of the Statement of Compliance or Non-Compliance (*Comply or Explain* Statement) of the CGC, we used the quantitative research methodology. This statement is

prepared by companies traded on the regulated market of the BVB. Thus, according to the CGC (2017), the economic entities that adopt the CGC, will prepare and transmit annually, to the BVB, a statement that will contain information on the CGC recommendations.

According to the CGC, Section B Risk Management and Internal Control System includes 12 provisions on the composition and activity of the audit committee, as well as the internal audit activity, as follows in **Table no. 1**.

Table no. 1. Provisions of Section B – Risk management and internal control system	
Previsions	Explanations
B.1.	<ul style="list-style-type: none"> Establish an audit committee, where at least one member must be an independent non-executive. The majority of the members, including the chairperson, should have appropriate qualifications. At least one member of the audit committee must have audit or accounting experience. In the case of premium companies, the audit committee shall consist of at least three members, the majority of whom shall be independent.
B.2.	<ul style="list-style-type: none"> Chairman of the Audit Committee: independent non-executive member.
B.3.	<ul style="list-style-type: none"> The Audit Committee carries out an annual assessment of the internal control system.
B.4.	<ul style="list-style-type: none"> The assessment should consider the effectiveness and scope of internal audit, risk management and internal control and how identified weaknesses are addressed.
B.5.	<ul style="list-style-type: none"> The Audit Committee shall assess conflicts of interest.
B.6.	<ul style="list-style-type: none"> The Audit Committee shall assess the effectiveness of the internal control and risk management system.
B.7.	<ul style="list-style-type: none"> Audit Committee: monitors the application of legal and internal audit standards; receives and evaluates internal audit reports.
B.8.	<ul style="list-style-type: none"> Reports or reviews initiated by the Audit Committee must be followed by regular reports, which must then be submitted to the Council.
B.9.	<ul style="list-style-type: none"> No shareholder may be given preferential treatment over other shareholders in relation to transactions and agreements entered into.
B.10.	<ul style="list-style-type: none"> The Board shall adopt a policy that ensures that any transaction of the Company with any of its closely held companies, the value of which equals or exceeds 5% of the net assets of the Company. It shall be approved by the Board following a binding opinion of the Audit Committee.
B.11.	<ul style="list-style-type: none"> Internal audits must be carried out by a structurally separate division (internal audit department) within the company or by engaging an independent third party.
B.12.	<ul style="list-style-type: none"> The internal audit department reports functionally to the Board through the audit committee and administratively directly to the CEO.

Source: Authors' own research

The research was based on a sample of 6 BVB-listed companies in the oil and gas industry that have developed and published an *Comply or Explain* Statement between 2017 and 2022. For this purpose, we investigated the Directors' Annual Reports, publicly available on the BVB website.

In establishing the sample, companies belonging to the BET – NG index (Bucharest exchange trading energy & related utilities index) were taken into

account, given that it focuses on companies in the energy and utilities sector, including those in the oil and gas industry. The index reflects the performance of companies in this sector and provides investors with an overview of the evolution of this sector on the Romanian capital market. At the date of data collection, i.e. April 2024, 10 companies are included in the BET – NG index. Details of the companies and their activity are presented in **Table no. 2**.

Table no. 2. Composition of the BET – NG index

No.	Company Name	Company details
1	OMV Petrom S.A.	The main producer of crude oil, it supplies about half of domestic gas production.
2	Oil Terminal S.A.	It occupies a strategic position in the Black Sea area, being the largest oil terminal operator of petroleum products in the port of Constanta.
3	S.P.E.E.H. Hidroelectrica S.A.	Leader in electricity production.
4	S.N.G.N. Romgaz S.A.	Natural gas producer in Romania, active in hydrocarbon extraction.
5	Societatea Energetică Electrică S.A.	Key player in the electricity distribution and supply market.
6	S.N. Nuclearelectrică S.A.	Romania's only nuclear power producer.
7	S.N.T.G.N. Transgaz S.A.	Main activity is the transport of natural gas
8	C.N.T.E.E. Transelectrica	National electricity transmission operator.
9	Rompetrol Rafinare S.A.	The only domestic producer of petrochemical products.
10	Conpet S.A.	Main activity: supply of crude oil, domestic and imported.

Source: Authors' own research

We argue the case for BVB-listed oil and gas companies on the grounds that the industry has been subject to significant changes, including changes in government policies, fluctuations in commodity prices and technological innovations, and the Russian-Ukrainian war. The sampled companies are producers, suppliers and transport operators in the industry. Out of the total of 10 companies composing the BET – NG Index, 6 companies (60%) were selected, namely OMV Petrom S.A., Oil Terminal S.A., S.N.G.N. Romgaz S.A., S.N.T.G.N. Transgaz S.A., Rompetrol Rafinare S.A., Conpet S.A., for the period 2017-2022. The research is limited to the period 2017-2022, due to the limitation of information for periods before or after the period under analysis. The analysis included a total of 36 *Comply or Explain* Declarations of Conformity.

To determine the degree of compliance, in the first step, each provision was assessed and given a value of 1 if it was compliant and a value of 0 otherwise (non-compliant, partially non-compliant). Then, the degree of compliance was calculated for each company by relating the total number of provisions complied with to the total number

of provisions included in the section of interest. In addition, the annual compliance level for each company was calculated as the ratio of the total number of provisions complied with to the total number of provisions in Section B related to the Risk Management and Internal Control System.

We believe that the analysis of internal audit compliance with CGC provisions, provides insight into how companies in the oil and gas industry manage their risks and structure their corporate governance to meet global economic challenges. The oil and gas industry is often a key sector in the economies of many countries, so risks at the company level require a careful approach and robust corporate governance to ensure they are managed and minimised.

Results and discussions

By investigating the information included in the Annual Reports prepared from 2017 to 2022 and in *Comply or Explain* Statements, publicly available on the BVB website, we assessed the annual compliance of the selected companies with the provisions of Section B Risk Management and Internal Control System of the CGC (Table no. 3).

Table no. 3. Degree of compliance of companies with the provisions of Section B Risk management and internal control system

Company Name	Degree of compliance						Average degree of compliance
	2017	2018	2019	2020	2021	2022	
OMV Petrom S.A.	83%	83%	83%	83%	92%	92%	84,72%
S.N.G.N. Romgaz S.A.	58%	100%	75%	92%	83%	92%	87,50%
S.N.T.G.N. Transgaz S.A.	92%	92%	92%	92%	92%	92%	92,36%
CONPET SA	92%	92%	92%	92%	92%	100%	95,83%
Oil Terminal S.A.	92%	100%	100%	100%	100%	100%	84,03%
Rompetrol Rafinare S.A.	25%	58%	83%	83%	83%	83%	69,44%

Source: Authors' own research

The degree of annual compliance analysed in terms of all the requirements contained in Section B Risk Management and Internal Control System of the Statement *Comply or Explain* showed a heterogeneous trend, with situations such as stability over time, fluctuations, upward trends at the level of the companies analysed.

Conpet SA and Transgaz S.A. recorded the highest average levels of compliance, which reveals a constant commitment and a high level of compliance with corporate governance provisions throughout the period analysed. These companies can be considered models of best practice in terms of corporate governance. The degree of compliance is constant in the first part of the period under review and increasing in the period 2021-2022, indicating a significant improvement in compliance with the provisions.

A similar situation was observed in the case of Transgaz, a company that showed a compliance rate of 92% over the entire period under review, indicating a high level of compliance, as well as in the case of Rompetrol Rafinare S.A., which showed an upward trend, starting from a compliance rate of 25% in 2017 and reaching 83% in 2022. Although the level of compliance showed an upward trend, the company recorded a low average level of

compliance. This could be explained by difficulties or challenges in implementing and maintaining corporate governance practices in line with CGC requirements.

Oil Terminal S.A. has also shown a high level of compliance, and as of 2018, the level of compliance was 100%. On the other hand, Romgaz S.A. showed a variable trend, starting from a compliance rate of 58% in 2017, reaching a maximum of 100% in 2018, and then fluctuating between 75% and 92% in the period 2019-2022.

Complementary to the aspects mentioned above, in the research, for each individual provision in Section B of the GCC, we calculated the degree of compliance over the period analysed, i.e. 6 years. The analysis aimed to identify the evolution of companies in terms of compliance over time and to identify the factors that contributed to non-compliance or full non-compliance. Non-compliance with corporate governance provisions has a significant impact on the confidence of investors and other stakeholders in the company's ability to operate within the industry in a transparent, ethical and accountable manner. The degree of compliance at the provision level for each sampled company is presented in **Table no. 4**.

Table no. 4. Analysis of the degree of compliance of companies at the forecast level between 2017 and 2022

Prevision	OMV Petrom S.A.	S.N.G.N. Romgaz S.A.	S.N.T.G.N. Transgaz S.A.	Conpet S.A.	Oil Terminal S.A.	Rompetrol Rafinare S.A.
B.1.	67%	83%	100%	100%	83%	83%
B.2.	67%	100%	100%	100%	100%	83%
B.3.	100%	67%	100%	100%	100%	67%
B.4.	100%	83%	100%	100%	100%	67%
B.5.	100%	17%	100%	100%	100%	0%
B.6.	100%	67%	100%	100%	100%	67%

Prevision	OMV Petrom S.A.	S.N.G.N. Romgaz S.A.	S.N.T.G.N. Transgaz S.A.	Conpet S.A.	Oil Terminal S.A.	Rompetrol Rafinare S.A.
B.7.	100%	100%	100%	100%	100%	83%
B.8.	100%	100%	100%	100%	100%	83%
B.9.	100%	100%	100%	100%	100%	100%
B.10.	100%	83%	0%	17%	100%	0%
B.11.	100%	100%	100%	100%	100%	100%
B.12.	0%	100%	100%	100%	100%	83%

Source: Authors' own research

OMV Petrom S.A. in the context of corporate governance and risk management and internal control system shows during the period under review a partial compliance with the provisions relating to the audit committee and its independence, with an average compliance rate at the provision level (B.1 and B.2) of about 67%. During this period, the chairman of the audit committee or some of its members did not meet the independence criteria as set out in Section B.1. On the other hand, reporting by the internal audit department had a negative impact on the overall compliance rate. OMV Petrom S.A. showed partial compliance in all the years analysed, with an average compliance rate of approximately 0%. Although administrative reporting is to the CEO, functional line reporting functions to management resulted in only partial compliance. In general, the company pays attention to audit committee issues and internal audit department reporting to ensure effective corporate governance and compliance with internal control standards.

Romgaz S.A.'s analysis revealed periods of partial or non-compliance. Non-compliance included critical aspects of the risk management and internal control system, such as responsibility for monitoring the effectiveness of internal control, internal audit and risk management systems, and the assessment of conflicts of interest in relation to the company's transactions with related parties. The impact of these limitations could be significant and could include exposure to increased risks, loss of investor and other stakeholder confidence in the company's ability to manage risks and potential legal and financial consequences. However, Romgaz has undertaken efforts to address these limitations by reviewing internal regulations and improving reporting and monitoring systems through annual assessments of the effectiveness of the internal control system and risk management system.

Transgaz S.A. has consistently complied with the provisions of Section B Risk Management and Internal Control System, with 100% compliance for most of the

provisions during 2017-2022. However, with regard to provision B.10, which refers to the adoption of a policy on transactions with companies with which it has close relations, especially those worth 5% or more of the company's net assets, it is noted that this has not been complied with, according to the data provided. The absence of a clearly defined policy and established procedures for the management of transactions with related companies may result in a limitation of transparency and adequate control over such transactions.

Conpet S.A. demonstrated a high level of compliance, with a compliance rate of 100% for most of the period under review, with the exception of provision B.10, related to attendance at general meetings of shareholders, where there is a discrepancy. However, consistent compliance with the other provisions reflects a continued focus on corporate governance and internal control. Compliance from 2022 with provision B.10, following the adoption of a policy on related party transactions, is a significant step. This action indicates a commitment by the company to improving corporate governance and risk management. This strengthens the process of implementing rigorous and transparent practices with regard to related party transactions, which is essential to ensure a healthy business environment and sound corporate governance.

Oil Terminal S.A. showed a high level of compliance during the period 2017-2022, with each provision being 100% compliant, except for provision B.1. which showed 83% compliance. Provision B.1. was marked as "Partially complied" for 2017, as a Board of Directors was not operational at that time as required by law. However, procedures have been initiated to remedy this situation and to establish a Board of Directors in accordance with the legal requirements. The 100% compliance with the provisions on risk management and internal control as of 2018 shows the company's commitment to maintaining and improving corporate governance standards over time.

Rompetrol Rafinare S.A., has consistently shown a high level of non-compliance over the period 2017-2022. In 2017, the company did not fully comply with the provisions relating to the establishment of the audit committee, and it should be noted that it was not established during that year. This situation recurred in subsequent years and the implementation of this requirement was postponed for future years. During 2018-2022, the non-compliant provisions mainly included responsibility for monitoring the effectiveness of internal control, internal audit and risk management systems, which has a significant impact on the company's ability to manage risks and ensure compliance with relevant regulations and standards. However, it is important

to note that Rompetrol Rafinare S.A. has shown a trend of improving compliance during the period, which shows that the entity has focused its efforts on remedying deficiencies and implementing more effective policies and procedures for risk management and internal control.

Given the fluctuating internal audit compliance of companies in the oil and gas industry from a corporate governance perspective, the research hypothesis that companies have improved their compliance with the adoption of the CGC is not validated.

The corporate governance models adopted by the companies included in the research sample during the period analysed are presented in **Table no. 5**.

Table no. 5. Corporate governance models of companies in the oil and gas industry

Company Name	Corporate governance models					
	2017	2018	2019	2020	2021	2022
OMV Petrom S.A.	Dualist	Dualist	Dualist	Dualist	Dualist	Dualist
S.N.G.N. Romgaz S.A.	Unitary	Unitary	Unitary	Unitary	Unitary	Unitary
S.N.T.G.N. Transgaz S.A.	Unitary	Unitary	Unitary	Unitary	Unitary	Unitary
CONPET SA	Unitary	Unitary	Unitary	Unitary	Unitary	Unitary
Oil Terminal S.A.	Unitary	Unitary	Unitary	Unitary	Unitary	Unitary
Rompetrol Rafinare S.A.	Unitary	Unitary	Unitary	Unitary	Unitary	Unitary

Source: Authors' own research

Analysis of the corporate governance model typology shows that most companies have adopted the unitary model, and one company the dualist model. Thus, the analysis of the degree of compliance of the companies in terms of internal audit, from the perspective of the adopted corporate governance model (**Tables no. 3 and 5**) reveals that OMV Petrom S.A., which has a dualist governance model, has progressively improved its degree of compliance in terms of internal audit since the adoption of the CGC. In the case of the other companies, managed on a unitary governance model, audit compliance is fluctuating. Therefore, the research hypothesis that companies' internal audit compliance from a corporate governance perspective is influenced by the adopted corporate governance model is validated.

Conclusions

The conceptual analysis carried out highlights, on the one hand, the multidimensional facets of internal audit in the context of corporate governance and, on the other hand, the interest and importance of the degree of compliance of listed companies with corporate governance.

The investigation of the degree of compliance of oil and gas companies with the provisions of Section B *Risk Management and Internal Control System* of the *Comply or Explain* Compliance Statement revealed a heterogeneous evolution, at the level of the companies analysed, in the period 2017-2022. Thus, the degree of compliance of companies in terms of internal audit, has not improved, once the GAC was adopted.

Of the companies sampled, individually, OMV Petrom S.A. and Transgaz S.A. had the highest levels of compliance. At the opposite pole, Rompetrol Rafinare S.A. is at the lowest level of compliance overall.

Sequentially, the provisions relating to responsibility for monitoring the effectiveness of internal control systems and risk management (B.7 and B.8) were generally complied with by all the companies analysed. Most companies also showed a high degree of compliance with periodic assessments of the internal control system (B.11). However, there were significant differences between companies in terms of compliance with certain provisions, such as B.5, where Romgaz S.A. and Transgaz S.A. showed a high degree of compliance and Rompetrol Rafinare S.A. showed a very low degree of compliance. It reveals the importance of continuing efforts to improve corporate governance and compliance practices within companies to ensure a transparent, accountable and sustainable business environment.

From the perspective of the corporate governance models adopted by the companies analysed, the results revealed that those managed on the dualist model progressively improved their internal audit compliance with the adoption of the GCM. In this case, OMV Petrom S.A. stood out. In the case of the other companies managed under the unitary governance model, audit compliance is fluctuating.

In the context of an unstable global economic environment, the results of the research outline at the

level of the companies analysed, the need for continued efforts in terms of internal audit compliance with the GAC, and at the level of the professional, regulatory and socio-economic environment, initiatives to improve and strengthen good corporate governance practices on internal audit. These efforts will contribute to strengthening a transparent, consistent, credible and sustainable framework for engagement with investors and stakeholders.

As future research directions, we propose to extend the analysis of compliance of companies in other industries with BVB internal audit requirements.

Regarding the limitations of the research, we consider that one of the limitations is the lack of publicly available information for the periods before and after the analysis. However, we believe that the period under investigation includes important global socio-economic events that have had a significant impact on companies in the oil and gas industry in terms of risk exposure.

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