



Why Compliance Breaches Persist—And What Boards Must Do Differently

Despite the billions invested in compliance infrastructure over the past two decades, major failures continue to make headlines. This contradiction demands serious reflection, not just from management, but from boards. The issue is no longer awareness, policy, or intention. It's execution and oversight.

The Board's Blind Spot

In many organisations, compliance oversight is folded into Audit or Risk Committees, where it competes for airtime with financial reporting, internal controls, and broader enterprise risk. While administratively efficient, this structure often lacks the focused attention needed to probe complex, evolving compliance risks.

The recent Alphabet Inc. shareholder settlement in the US, which requires the creation of a standalone Risk and Compliance Committee, identifies a growing recognition that effective oversight cannot be passive or part-time. It requires dedicated governance.

What's Missing Isn't Process—It's Focus

Boards often assume that once policies are in place, the job is done. But many compliance failures occur not from a lack of rules, but from inconsistent application, poor challenge, and a disconnect between risk appetite and operational reality.

Best practice supports the creation of a committee dedicated to compliance, ethics and risk with a clear mandate to do more than review policy. It must:

- Understand where the highest regulatory exposures lie
- Test whether internal reporting reflects actual practice
- Challenge management assumptions and responses
- Oversee investigations and monitor organisational culture

This requires both domain expertise and time. It can't be achieved as a minor item on a packed audit agenda.

Clarity of Role, Strength of Voice

A well-structured compliance oversight function is not about adding bureaucracy. It's about enabling clear, consistent, and credible governance. That includes:

- A focused committee with authority and independence
- Access to legal and compliance leads, without filters
- The right to engage external expertise where needed
- Regular agenda time devoted to regulatory hotspots
- A feedback loop into wider board discussions on culture, conduct, and risk



Avoiding the Two Extremes

Some boards are too hands-off, assuming compliance sits solely with management. Others veer into micromanagement. The optimal role is one of strategic oversight: setting expectations, asking the right questions, and ensuring there's real alignment between policy and practice.

The Time to Strengthen Oversight Is Now

As regulatory expectations rise, enforcement sharpens, and investor scrutiny intensifies, boards need to be able to show they take compliance seriously and structurally. This doesn't mean starting from scratch, but it does mean taking a hard look at whether current arrangements are fit for purpose and are actually working.

Gold Collins Edelman Advisors works with boards to establish compliance oversight that is clear, effective, and grounded in best practice. We help leadership teams move beyond box-ticking to deliver governance that is proactive, resilient, and trusted.

Effective compliance oversight isn't a luxury. It's board-level due diligence.