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Watch out for compliance program ‘scope creep’

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The “boiling frog effect” suggests that a frog placed in warm water that is gradually increased to a boil will not realize what is going on until it is too late. The gradual, incremental changes result in a cumulative impact that brings serious and damaging consequences. “Scope creep” is similar to the boiling frog effect and is something that ethics and compliance professionals need to be on the lookout for and carefully manage to ensure that ever-increasing responsibilities and workloads do not result in serious and damaging consequences for the ethics and compliance program, the organization, other employees, or the ethics and compliance practitioner (both professionally and personally).

In this article, we will explain what scope creep is, how to intentionally choose opportunities that will provide for good outcomes, and how to effectively say “no” to others. While we frequently refer to the chief ethics and compliance officer (CECO) in this article, we believe scope creep is an issue for many ethics and compliance professionals, so our guidance applies to all professionals.

What is the role of the CECO?

The role and responsibilities of the CECO generally includes, among other things:

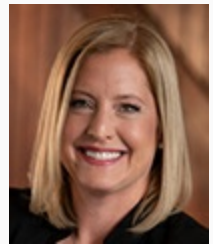
- Being responsible for building, developing, and continuously evaluating the structure and effectiveness of the ethics and compliance program;
- Conducting ethics and compliance risk assessments and various internal investigations; and
- Engaging leadership, the board of directors, employees, and stakeholders to ensure the program is well-designed, effective, and working in practice.

While there are some elements of the CECO’s job that are common across most organizations, the role and responsibilities will inevitably vary between organizations based on a variety of factors, including:

- The risks and operations of the organization;
- The size of the organization and the complexity and number of compliance risks, which can be significantly influenced by the type of industry the organization is in (e.g., government, healthcare, or



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other high-risk or regulated industries);

- The background and experience of the CECO and their team (to the extent one exists);
- Whom the CECO reports to; and
- The mindset and support of senior leadership for the ethics and compliance program and CECO.

Since all ethics and compliance programs are—or at least, should be—different, this creates a risk that other parts of the organization may not fully understand the role of the CECO and the compliance program. This can result in requests for the CECO to assume work and responsibilities that are more appropriately owned by operations, human resources, or other areas of an organization. Examples include owning all policies in the organization, being the only department or employee that talks about ethics and compliance, conducting all due diligence, or ensuring that all employees complete their required training. The accelerated growth of corporate social responsibility (CSR) and environmental, social, and governance (ESG) factors are also raising legitimate and challenging questions about what role the CECO should play and how much of CSR and/or ESG the CECO should own.

The organizational blind spot surrounding the role and responsibilities of the CECO and the compliance program puts compliance leadership at a real risk for scope creep. Often the creep occurs subtly through continuous incremental additions, and often, resources and support do not increase proportionally. This imbalance in growth and resources can have damaging consequences for the ethics and compliance program, the organization, and the CECO (as well as other stakeholders).

The water temperature is rising for the CECO, but there are a variety of options to manage the risks and impact of scope creep.

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