NAVEX

Northstar Series

State of Risk & Compliance in the US

2026

Foreword

U.S. compliance programs are strong compared to global peers, yet recent NAVEX survey data tells a deeper story. Namely, a perceived lack of leadership commitment to ethics and compliance appears to have a stronger relationship than specific program elements as to whether a U.S.-based organization experiences negative compliance issues. In short, in the U.S., compliance culture matters.

The data, drawn from the survey behind the NAVEX 2026 State of Risk & Compliance Report, consistently points to a gap between U.S. organizations with zero compliance issues and those with two or more. It isn't down to elements like investment and perceived program maturity. It comes down to whether compliance is genuinely experienced, whether leaders at every level act in line with what they promote, and whether investment is focused on embedding compliance in practice or just making it visible from the outside.

Indeed, enforcement priorities are shifting federally, and state-level rules are sometimes diverging from those national trends The organizations navigating this complexity well are not necessarily the ones with the most mature programs. They are the ones where compliance has become genuinely integral to how the organization operates: in how leaders behave when in pursuit of a new business objective and whether employees trust the system when something goes wrong.

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The Northstar Series is NAVEX's curated collection of proprietary data and unparalleled analytical insights. Within this series we explore groundbreaking analysis intersected with bespoke data, shaping strategic decision-making across the risk and compliance landscape.

01
Strong programs with diverging views

01 Strong programs with diverging views

U.S. compliance programs demonstrate strength and maturity, but there's a clear divide between the organizations that don't experience compliance issues and those that do.

U.S. organizations are performing on par with global peers on maturity and are modestly better when it comes to compliance outcomes.

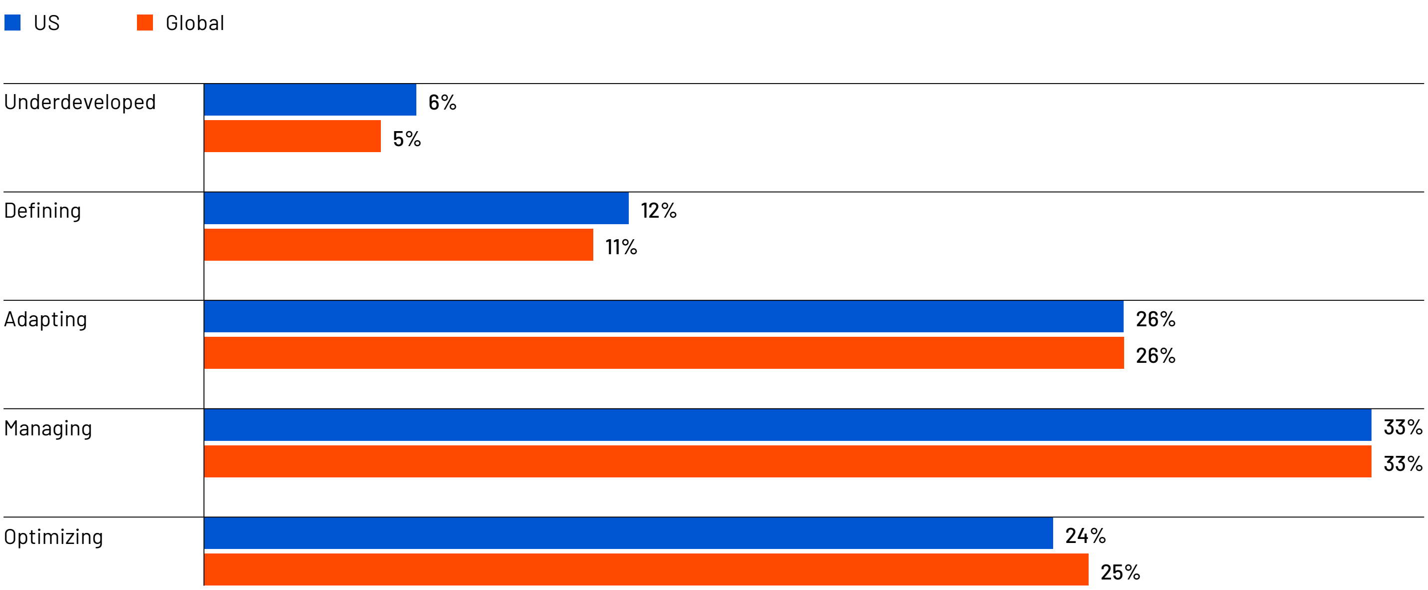
The HQP maturity model is defined as follows:

High-Quality Program (HQP): a maturity model with five levels developed by the Ethics and Compliance Initiative that identifies best practices in the following compliance program areas: ethics and compliance is central to business strategy; ethics and compliance risks are identified, owned, managed, and mitigated; leaders at all levels across the organization build and sustain a culture of integrity; the organization encourages, protects, and values the reporting of concerns and suspected wrongdoing; the organization takes action and holds itself accountable when wrongdoing occurs.

More than half of respondents rate their organization's compliance program at a top level of either "Managing" or "Optimizing" on the five-tier scale of the Ethics & Compliance Initiative. This is in line with global averages when asked to self-report their program maturity using the following five HQP maturity levels:

- **UNDERDEVELOPED:** A new program or an existing one that has not progressed far in embedding HQP elements
- **DEFINING:** A program that contains a number of HQP elements reflecting some important attributes, but with room to further mature
- **ADAPTING:** A program that has a few HQP elements, but still lacks many important attributes
- **MANAGING:** A program that can be considered effective or good, but not an HQP
- **OPTIMIZING:** A program that contains the majority of, if not all, HQP elements.

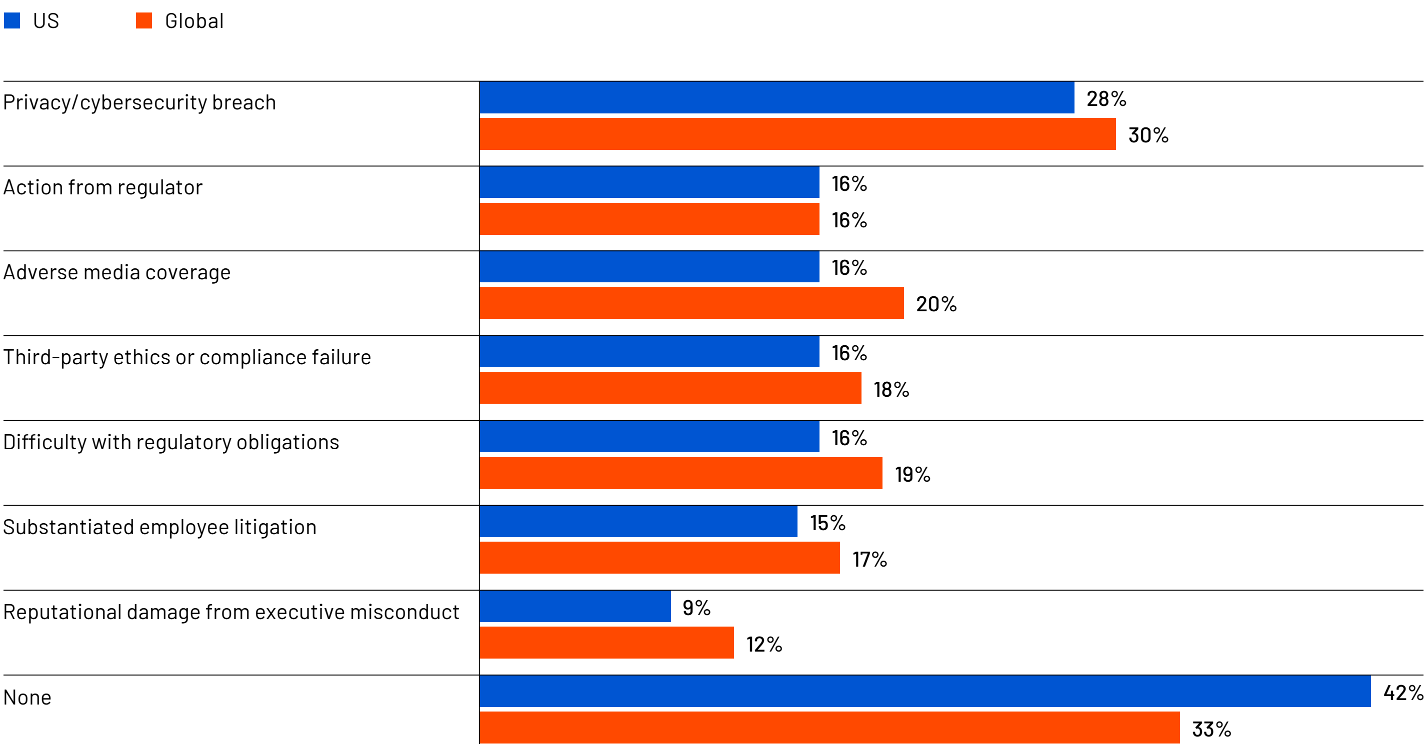
ETHICS AND COMPLIANCE PROGRAM MATURITY



Which of the following best describes your organization's Ethics and Compliance program?

While our U.S. sample represents a larger proportion of smaller businesses (100-2,499 employees) than the global mix (42% U.S. versus 33% global), and respondents for smaller organizations tended to report fewer issues, the U.S. still stood out consistently citing fewer negative outcomes.

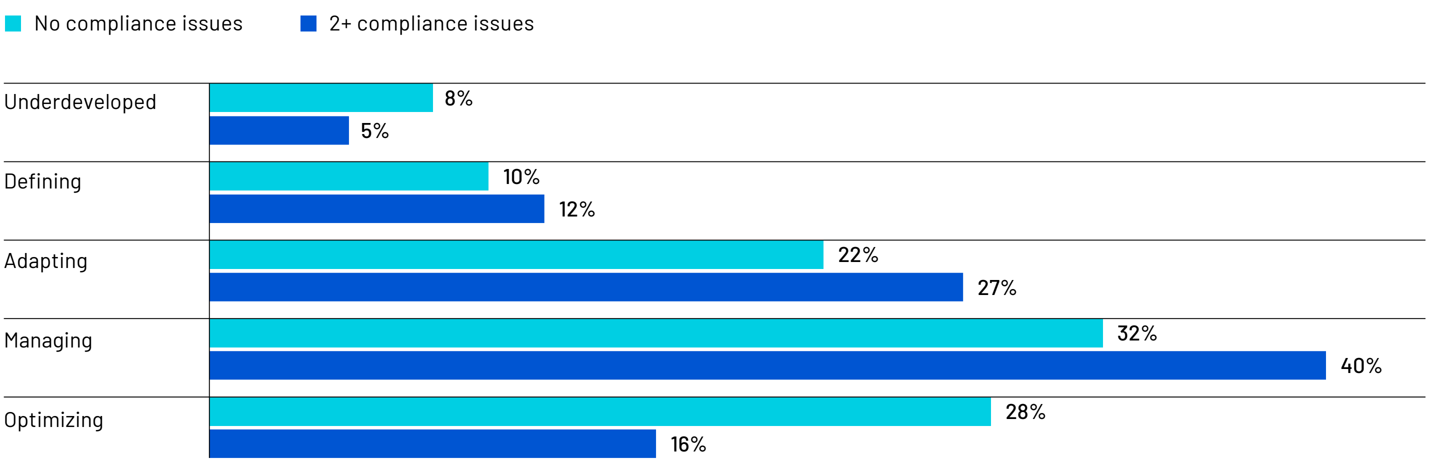
COMPLIANCE ISSUES EXPERIENCED IN THE PAST TWO YEARS



Has your organization experienced any of the following compliance issues in the past two years?

Within that picture, two different groups emerge: organizations with zero compliance issues in the past two years are more likely to sit in Managing or Optimizing, and organizations with two or more issues cluster in managing and drop off sharply at Optimizing. Maturity and outcomes seem to have a correlation, but it doesn't explain what's driving this difference.

ETHICS AND COMPLIANCE PROGRAM MATURITY BY NUMBER OF COMPLIANCE ISSUES EXPERIENCED

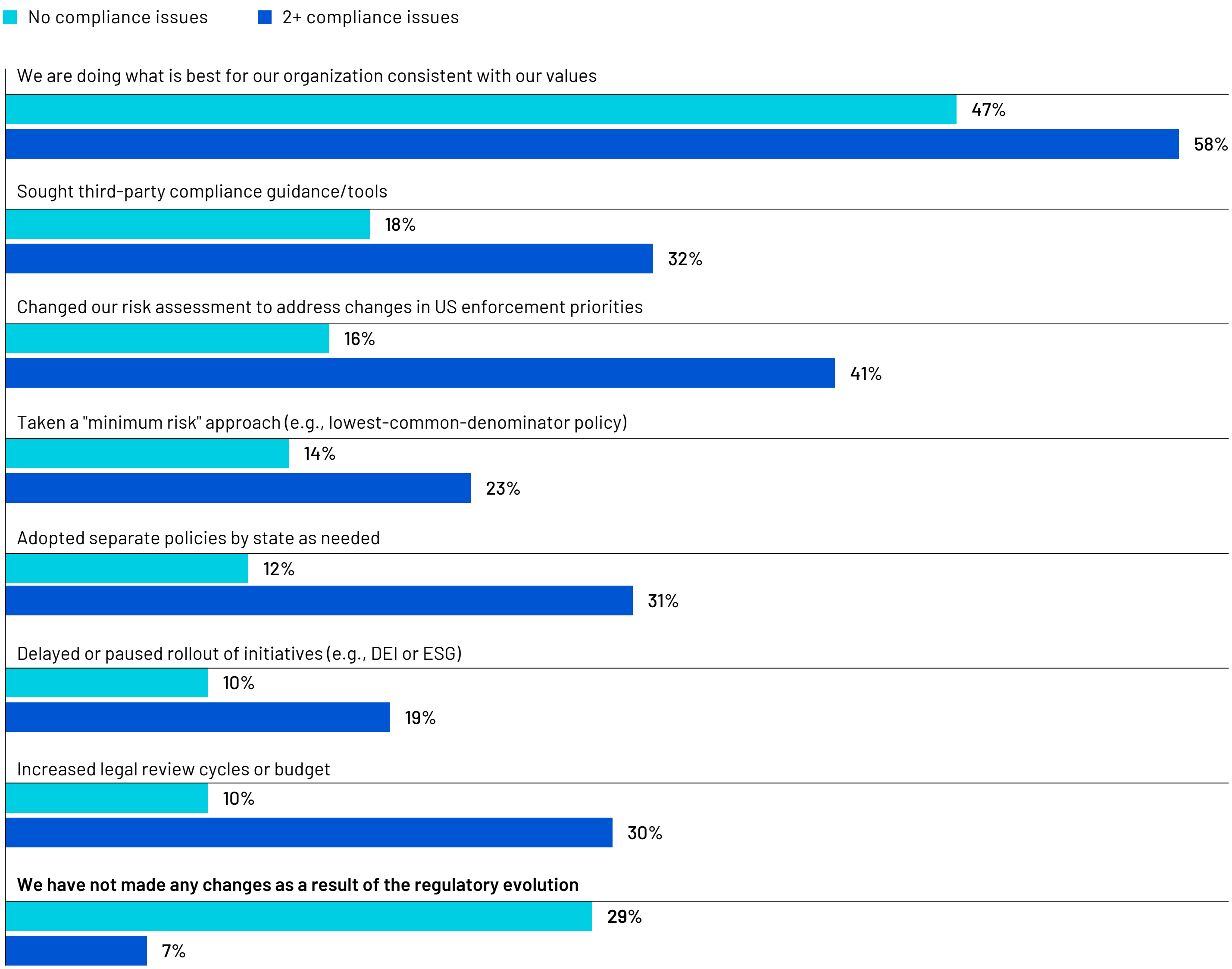


Which of the following best describes your organization's Ethics and Compliance program?

The current regulatory environment illustrates how differently these two groups are operating. Despite federal enforcement priorities shifting and state-level rules diverging, organizations reporting no issues are more so holding course.

Twenty-nine percent in that group say they have made no changes at all in response to the regulatory evolution, against just 7% of those with two or more issues – a 22-percentage point difference. This suggests organizations with two or more compliance issues in the past two years might be in a reactive mode. The regulatory environment isn't creating the gap between these two groups, but it is exposing it.

RESPONSES TO THE CURRENT REGULATORY ENVIRONMENT BY NUMBER OF COMPLIANCE ISSUES EXPERIENCED



How has your organization responded to state-federal-international regulatory evolution over the past year?

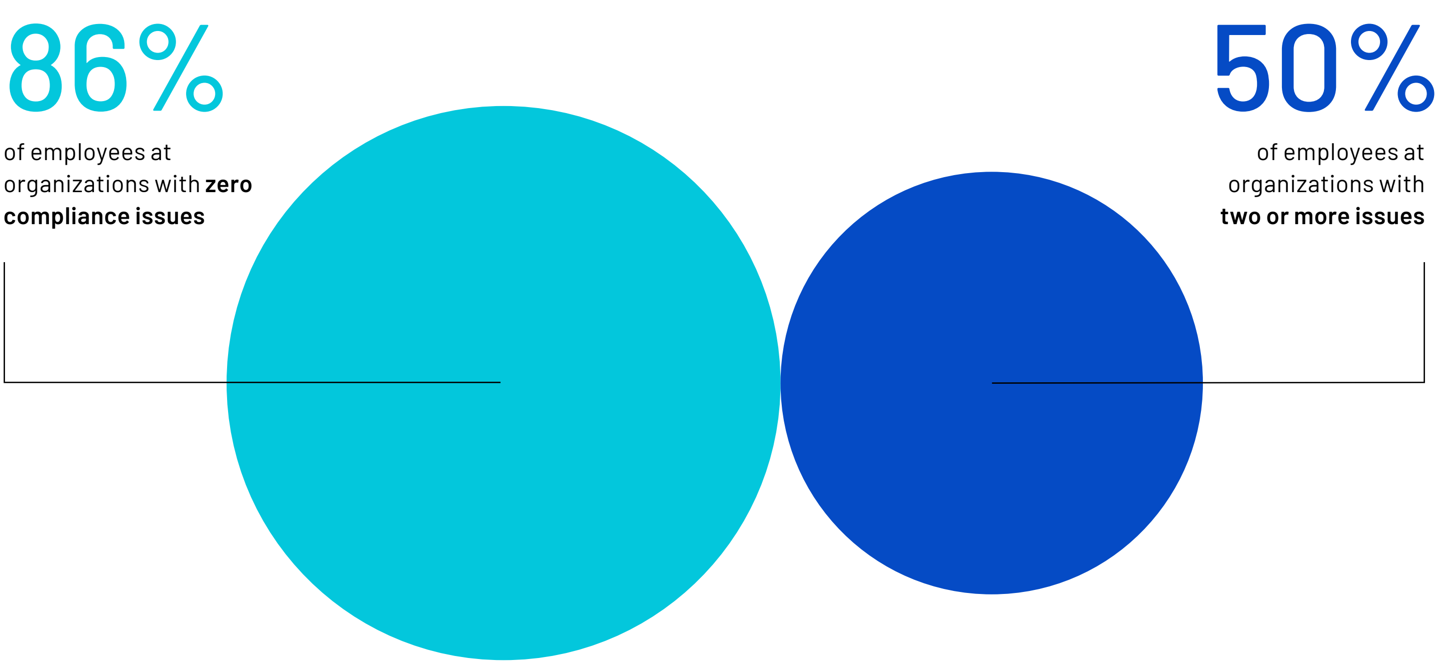
In the U.S., organizations with a reported two-or-more compliance issues are trying to close the gap. Nearly a third (32%) are planning budget increases of 10% or more, which is more than twice the 14% of respondents among organizations with zero reported issues. But that investment is going in after problems have already materialized, and it's not directly addressing what most separates these two groups.

The key difference between these two groups is around belief, specifically if leaders are seen by the people around them as genuinely believing that compliance is a strategic advantage.

Among U.S. organizations with zero compliance issues over the past two years, 86% of employees believe their senior leaders view compliance as a strategic advantage. Among those with two or more issues, only 50% do – a 36 percentage point gap.

The section that follows examines what this leadership mindset gap looks like in practice.

EMPLOYEES WHO BELIEVE THEIR SENIOR LEADERS VIEW COMPLIANCE AS A STRATEGIC ADVANTAGE



Resourcing and budgets by company size

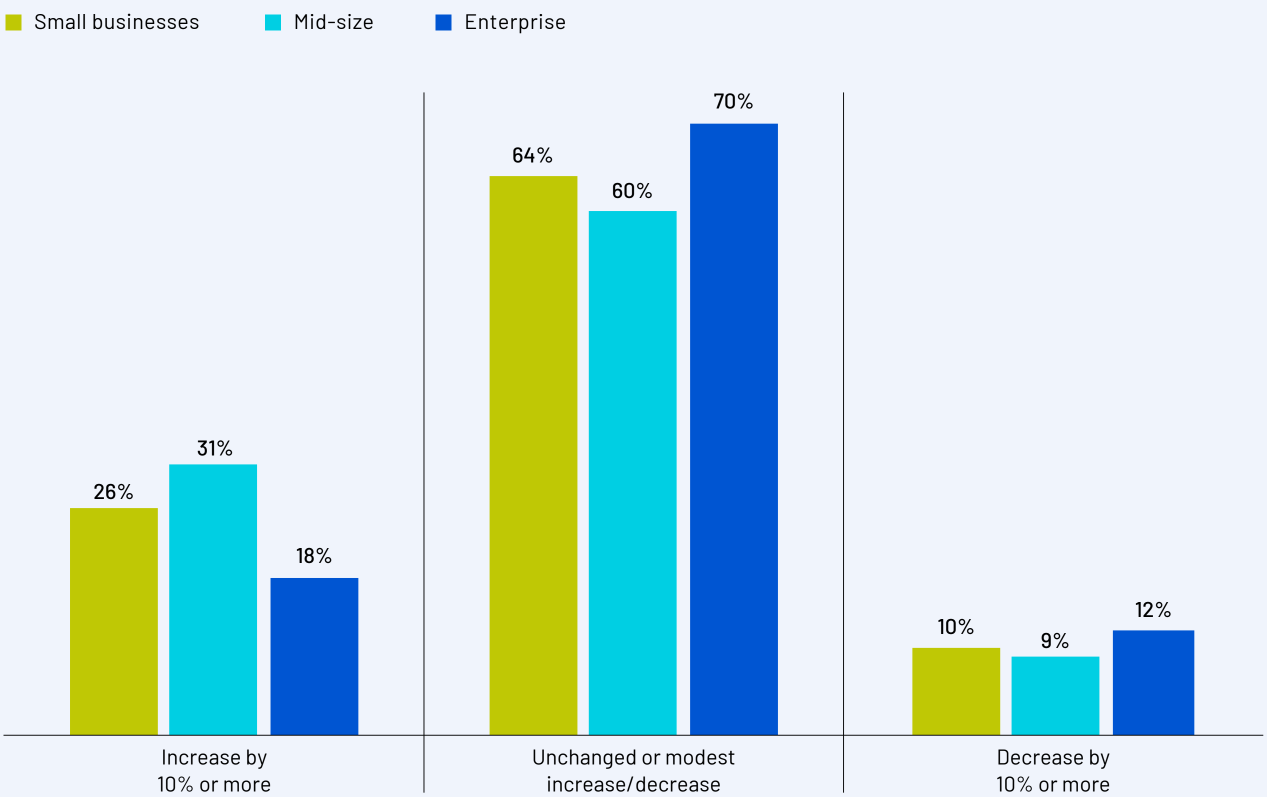
How organizations resource compliance varies significantly by size, and not always in the ways you'd expect.

For the purposes of this report, organizations have been grouped into three company sizes:

- **Small businesses:** 1-2,499 employees
- **Mid-sized:** 2,500-9,999 employees
- **Enterprise:** 10,000 or more employees

The organizations with the most compliance complexity are the least likely to be planning significant new investment, which raises the question: have large organizations started treating compliance spend as a fixed cost rather than something that needs to grow with their risk exposure?

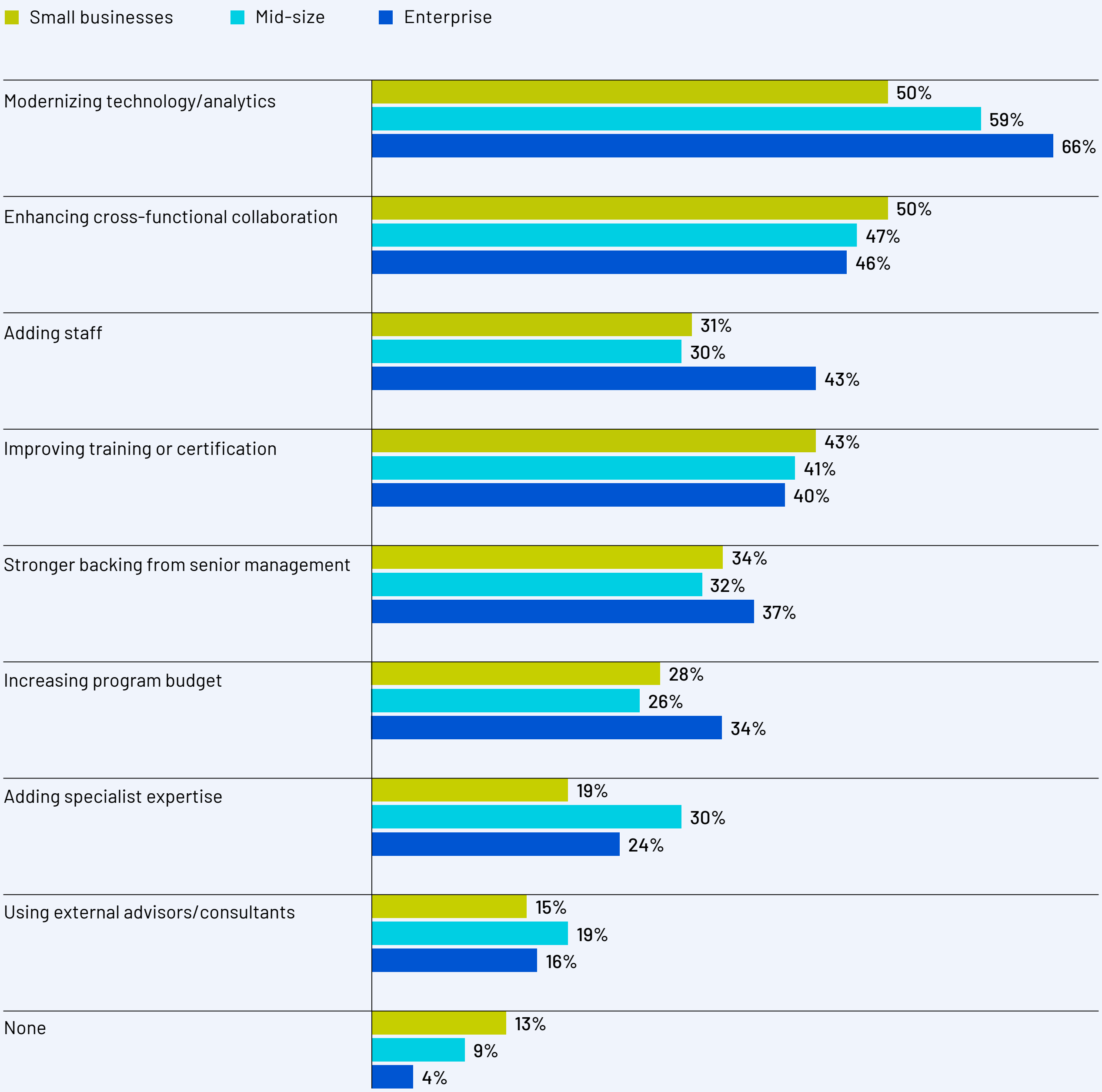
EXPECTED ETHICS AND COMPLIANCE BUDGET CHANGES OVER THE NEXT YEAR BY COMPANY SIZE



How much is this Ethics and Compliance program budget projected to change from 2025 to 2026?

Enterprise organizations are signaling a need for structural, auditable investments (technology and headcount) and not the initiatives that drive better compliance outcomes such as stronger backing from senior management.

REQUIREMENTS FOR COMPLIANCE PROGRAM IMPROVEMENT BY COMPANY SIZE



Which of the following will you need to significantly improve your organization's Ethics and Compliance program over the next 12 months?

Across all company sizes, an area that is less of a priority for increased investment is culture and speak-up initiatives, which are the conditions the report consistently shows matter most.

Small businesses aren't fighting for compliance investment, and they may not feel they need to. They're the least likely to be planning significant program improvements and the least likely to have made the internal case for more resources.

However, small businesses also report fewer negative compliance outcomes than their larger peers. More than half (53%) reported no compliance issues in the past two years, compared with 33% of mid-sized organizations and 36% of enterprises. This could reflect lesser visibility into issues or simply the narrower operations of smaller organizations, which may create fewer opportunities for something to go wrong. It may be a clue that the energy spent advocating for greater investment is not what sets strong compliance programs apart.

PROGRAM ACTIVITIES THAT WILL SEE INCREASED INVESTMENT

	Small businesses	Mid-size	Enterprise
Training and awareness	52%	52%	40%
Risk assessments	48%	49%	38%
Policy management	38%	34%	28%
Technology upgrades	37%	47%	44%
Monitoring and audits	36%	33%	32%
Third-party due diligence	21%	22%	22%
Internal investigations	20%	31%	26%
Culture and speak-up initiatives	**20%**	**23%**	**27%**
No change	20%	15%	19%

Which of these program activities will see increased investment or activity (e.g., budget, staff time, scope, priority) in 2026?

02

Leadership: the gap between belief and behavior

02 Leadership: the gap between belief and behavior

The starting point is positive: U.S. C-suite leaders are confident in compliance's value and broadly report this in the data. The challenge is not intent, it's whether that belief is visible and felt across the organization – and what happens when commercial pressure tests it.

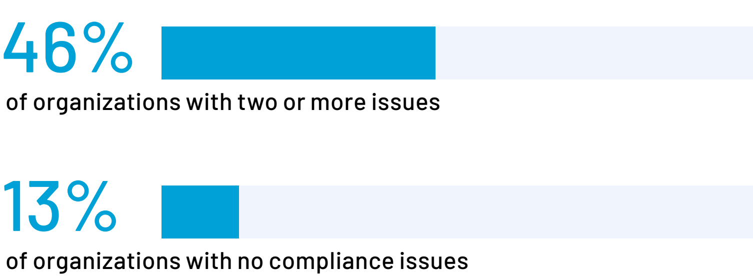
The vast majority (95%) of C-suite-level U.S. respondents to our survey said their C-suite leaders view compliance as a strategic advantage. This was broadly on par with global peers and represents an important finding – a C-suite that genuinely believes in compliance is a meaningful force of support for an effective program.

However, our survey found the message C-suite leaders in the U.S. think they are communicating about compliance may not be resonating. While 28% of C-suite respondents said senior executives view compliance as a "necessary evil," almost twice as many non-C-suite respondents said they believed senior executives held that perspective (52%).

In other words, a larger proportion of leaders at the department head or management level believe their C-suite holds a more obligatory view of compliance, compared to the share of C-suite leaders who actually report holding that view themselves. One reading of this is that C-suite leaders have arrived at a more strategic view of compliance but haven't yet brought the organization along.

The data for compliance outcomes in the U.S. shows a strong relationship between perceptions of senior leadership behavior and risks in the real world. When we compare organizations with zero reported compliance issues to those with two or more, 46% of organizations with two or more issues say their senior leaders have tolerated greater compliance risk in pursuit of business objectives, against 13% in zero-issue organizations: a 33 percentage point gap.

ORGANIZATIONS REPORTING THAT SENIOR LEADERS TOLERATED GREATER COMPLIANCE RISKS IN PURSUIT OF BUSINESS OBJECTIVES



The correlation between greater risk tolerance and worse outcomes is striking. While we can't claim causation, it raises a fair question: is greater tolerance of compliance risk contributing to these issues? What makes this more than a circumstantial finding is the accompanying behaviors, suggesting a culture where compliance is being actively undermined.

Other levels of leadership in the U.S. appear to be following the example set from the top. Middle managers in organizations with two or more issues tolerate compliance risk at the same rate as their senior leaders: 47% against 14% in zero-issue organizations, a 33-percentage point gap. First-line managers follow: 36% vs 16%, a gap of 20 percentage points. The gap is consistent across all three tiers of management.

TOLERANCE OF GREATER COMPLIANCE RISKS BY LEADERSHIP LEVEL

	Senior leaders		Middle management		Front line managers	
	No compliance issues	2+ compliance issues	No compliance issues	2+ compliance issues	No compliance issues	2+ compliance issues
Encouraged compliance and ethics	78%	69%	65%	57%	62%	55%
Modeled proper behavior	61%	51%	55%	48%	54%	45%
Commitment to ethics in the face of competing interests	52%	55%	42%	47%	41%	53%
Tolerated greater compliance risks in pursuit of new business objectives	13%	46%	14%	47%	16%	36%
Impeded compliance personnel from effectively implementing their duties	4%	21%	7%	34%	5%	25%
Encouraged employees to act unethically to achieve a business objective	4%	15%	4%	17%	5%	23%
None	7%	1%	12%	2%	12%	3%

Which of the following statements are true about your organization's senior leaders/middle management/front line managers?

Boards of directors in organizations with two or more issues tell a similar same story. These boards are more likely to engage only when something has already gone wrong: 25% engage primarily during crises or regulatory inquiries, against 11% in zero-issue organizations, a 14 percentage point difference. By the time they are involved, the gap has already materialized.

Organizations with two or more issues have already diagnosed their leadership problem themselves. When asked what they most need to improve in their compliance program, 47% cite stronger backing from senior management versus 25% of zero-issue organizations, a 22 percentage point gap. They know what is missing, but the data in this section shows why naming it has not been enough to close it.

BOARD ENGAGEMENT PATTERNS BY NUMBER OF COMPLIANCE ISSUES EXPERIENCED

	US total	No compliance issues	2+ compliance issues
Receives regular updates or dashboards on compliance performance	58%	53%	57%
Is briefed on significant investigations or incidents	51%	47%	50%
Reviews major compliance risks and emerging risk trends	46%	47%	41%
Approves or reviews key compliance policies or program changes	41%	36%	40%
Has a designated committee responsible for compliance oversight	40%	36%	42%
Provides strategic oversight of the compliance program	38%	42%	32%
Participates in periodic compliance or ethics training	38%	34%	40%
Engages primarily during crises or regulatory inquiries	17%	11%	25%
Has limited or no routine involvement in compliance	12%	15%	6%

How is your board of directors currently involved in your program?

The appetite for fines over compliance

Organizations may choose to absorb fines rather than invest in compliance, but the cultural damage can prove far harder and more costly to unwind.

Risk-based decision-making can be a valid approach to compliance. However, there is a risk that some organizations may use it as cover to deprioritize compliance, treating it like a cost they hedge their bets against. Although the data doesn't prove this directly, the real risk isn't just fines; it's the long-term damage to culture.

In practice, there are organizations that deprioritize compliance and treat it as part of a trade-off to be managed rather than a standard to be upheld. They tolerate greater risk assuming it can be fixed later or they treat future penalties as one-off costs against ongoing investments.

While not inherently unreasonable, it does have consequences. The longer compliance is treated as optional, the more leadership behaviors, speak-up norms, and risk tolerance become embedded. By the time enforcement catches up, those patterns are much harder to unwind.

This is where the real cost sits. Not in the fine itself, but in what has been normalized across the organization. Compliance culture is slow to change, and it tends to surface at the worst possible moments: during due diligence, in exit processes, or under external scrutiny. It can affect valuation, delay deals, or derail them entirely.

Ultimately, if you are choosing to absorb fines rather than invest in compliance, you may be deferring a cultural cost that compounds the longer it is avoided.

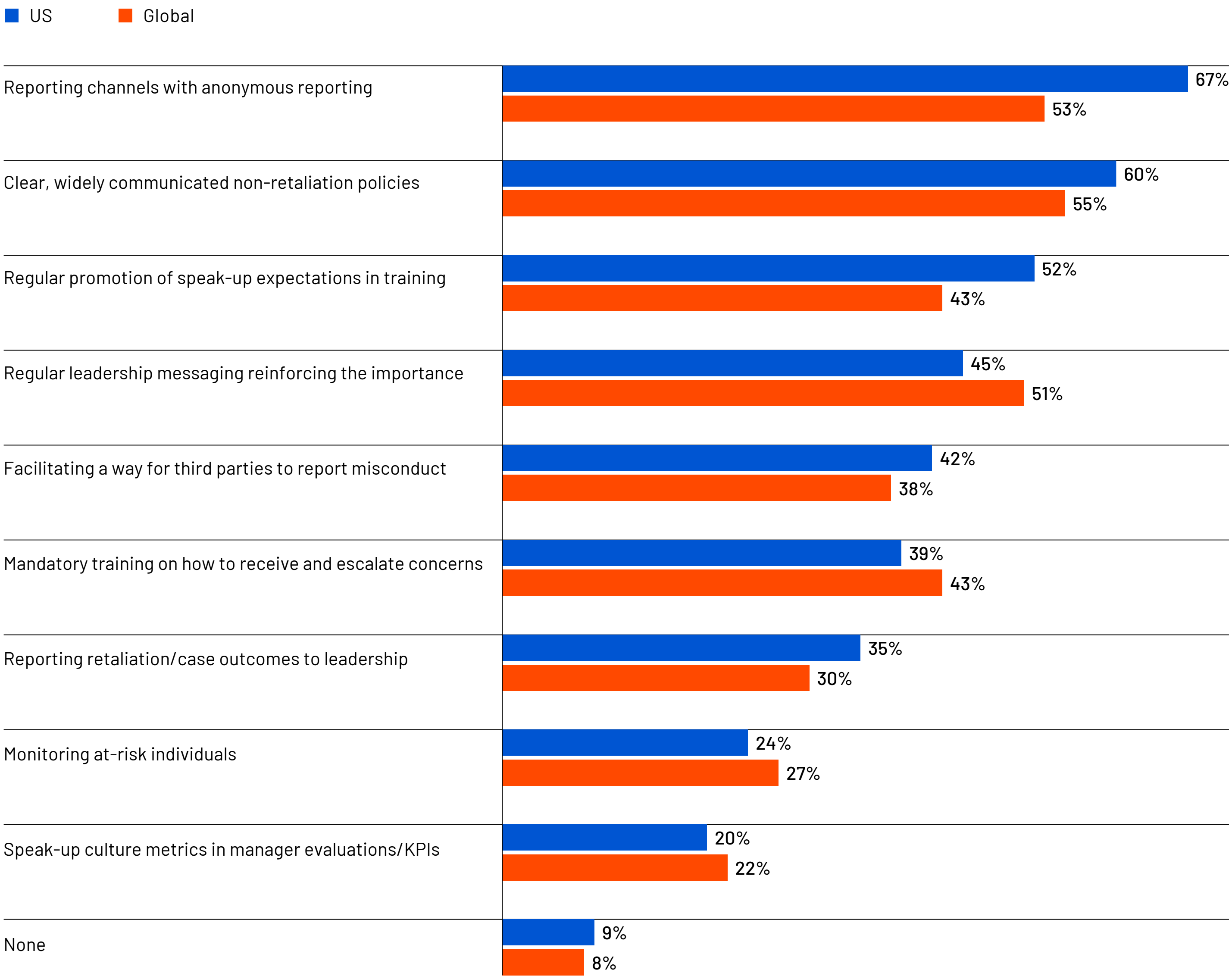
03
Speak-up culture: when infrastructure isn't enough

03 Speak-up culture: when infrastructure isn’t enough

The U.S. has invested more in speak-up infrastructure versus their global peers – and it shows. But the scale of speak-up challenges inside U.S. organizations with two or more compliance issues is on a different level entirely. The problem is not what has been built, but it is whether employees trust it enough to use it.

Driven in part by requirements under 2002’s Sarbanes-Oxley Act, organizations in the U.S. have invested seriously in speak-up initiatives. On structural measures like anonymous reporting channels and the promotion of speak-up expectations in training, respondents indicate the country’s organizations are ahead of the global average in the below chart.

MEASURES ORGANIZATIONS HAVE IN PLACE TO PROMOTE A STRONG SPEAK-UP CULTURE



Which of the following measures does your organization have in place to promote a strong speak-up culture?

However, areas where respondents indicated speak-up challenges inside organizations with two or more issues are of a different scale. Across all challenges, organizations with two or more compliance issues outpaced those with zero issues anywhere from 13 to 33 percentage points. As we've seen in the global and other regions, fear of retaliation (real or perceived) is still the number one issue, meaning this is not a channel problem. It is a trust problem, operating at a scale the speak-up infrastructure cannot address on its own.

Building trust in speak-up systems is achievable in multiple ways. First is a "tone from the top" that emphasizes – on an ongoing basis – the value of speaking up and the seriousness of the organization's anti-retaliation policy. Prospective reporters will also want to know the program works – efficient Case Closure Time and consistent Report Outcomes are among the measures they will look for that build trust in internal investigations.

Global data from the 2026 NAVEX Whistleblowing & Incident Management Benchmark Report adds important context. Globally, retaliation reports are substantiated at just 16%, suggesting the concern of retaliation that dominates the speak-up challenge data dramatically outpaces its actual incidence. In that environment, a better channel does not help. What matters is whether employees believe the system will respond effectively.

CHALLENGES AFFECTING SPEAK-UP CULTURE BY NUMBER OF COMPLIANCE ISSUES EXPERIENCED

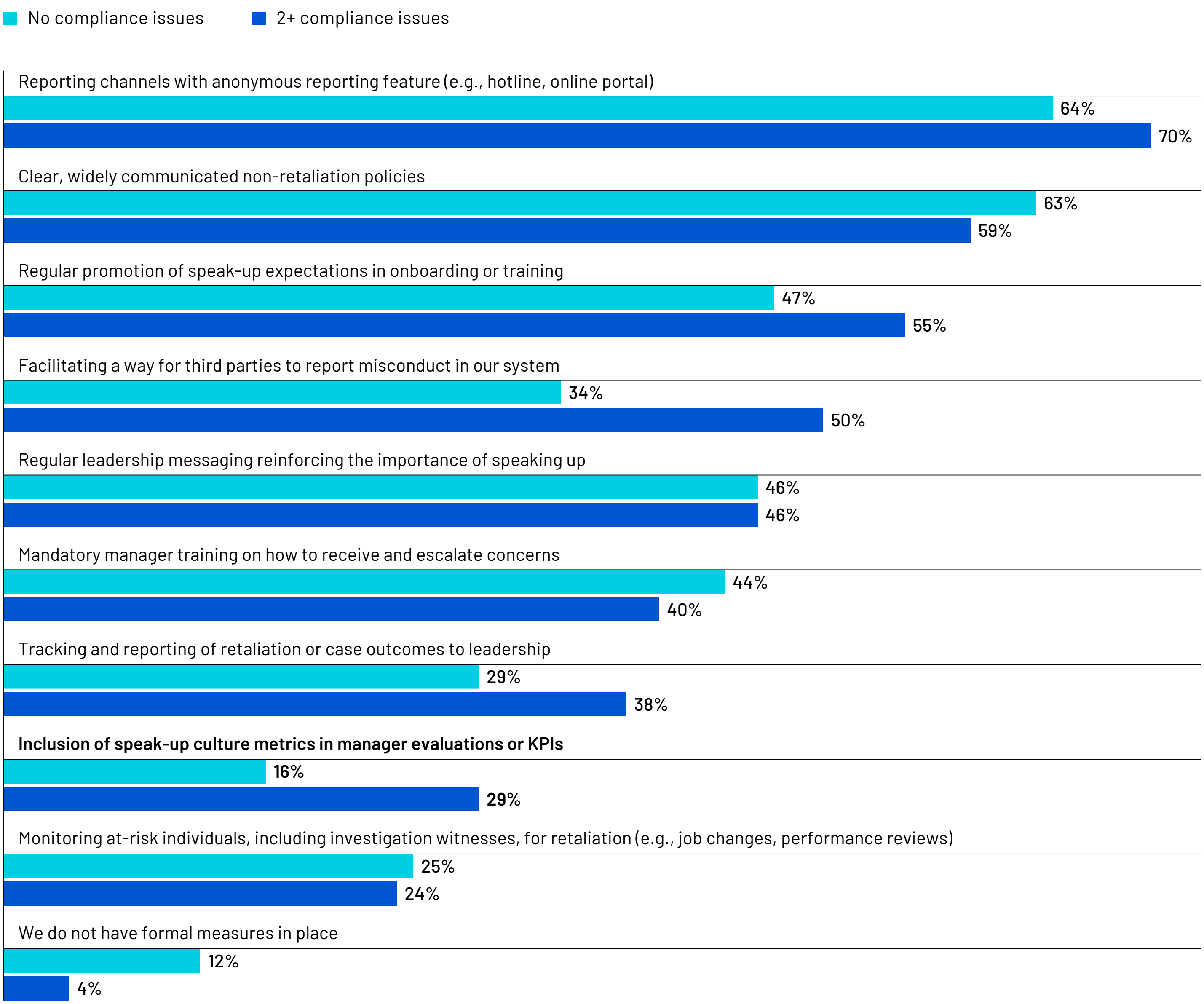
	US total	No compliance issues	2+ compliance issues
Employees fear negative career consequences if they report concerns (whether or not justified)	54%	44%	64%
Managers do not consistently know how to handle or escalate concerns	43%	31%	59%
Issues raised by employees are not addressed or resolved (actual or perceived)	35%	25%	55%
Investigations take too long or stall without closure	31%	21%	46%
Employees do not receive follow-up communication after raising a concern	28%	16%	37%
Retaliation	22%	14%	27%
Reporting channels are unclear, hard to use, or not trusted	20%	11%	28%
None	19%	37%	5%

Which of the following challenges affect speak-up culture in your organization?

On most compliance measures, U.S. organizations with two or more issues in the past two years are investing more in speak-up than companies with zero compliance issues, but the metric most tied to accountability rather than infrastructure (i.e., speak-up manager KPIs) sits low in the ranking of existing measures these companies have in place.

Our hypothesis is that the investment pattern in organizations with two or more issues in the past two years mirrors the leadership behavior pattern from earlier in this report: budgets going into the visible and auditable rather than into the conditions that make the system trustworthy.

MEASURES ORGANIZATIONS HAVE IN PLACE TO PROMOTE A STRONG SPEAK-UP CULTURE BY NUMBER OF COMPLIANCE ISSUES EXPERIENCED



Which of the following measures does your organization have in place to promote a strong speak-up culture?

04

AI adoption in compliance is taking a different path in the US

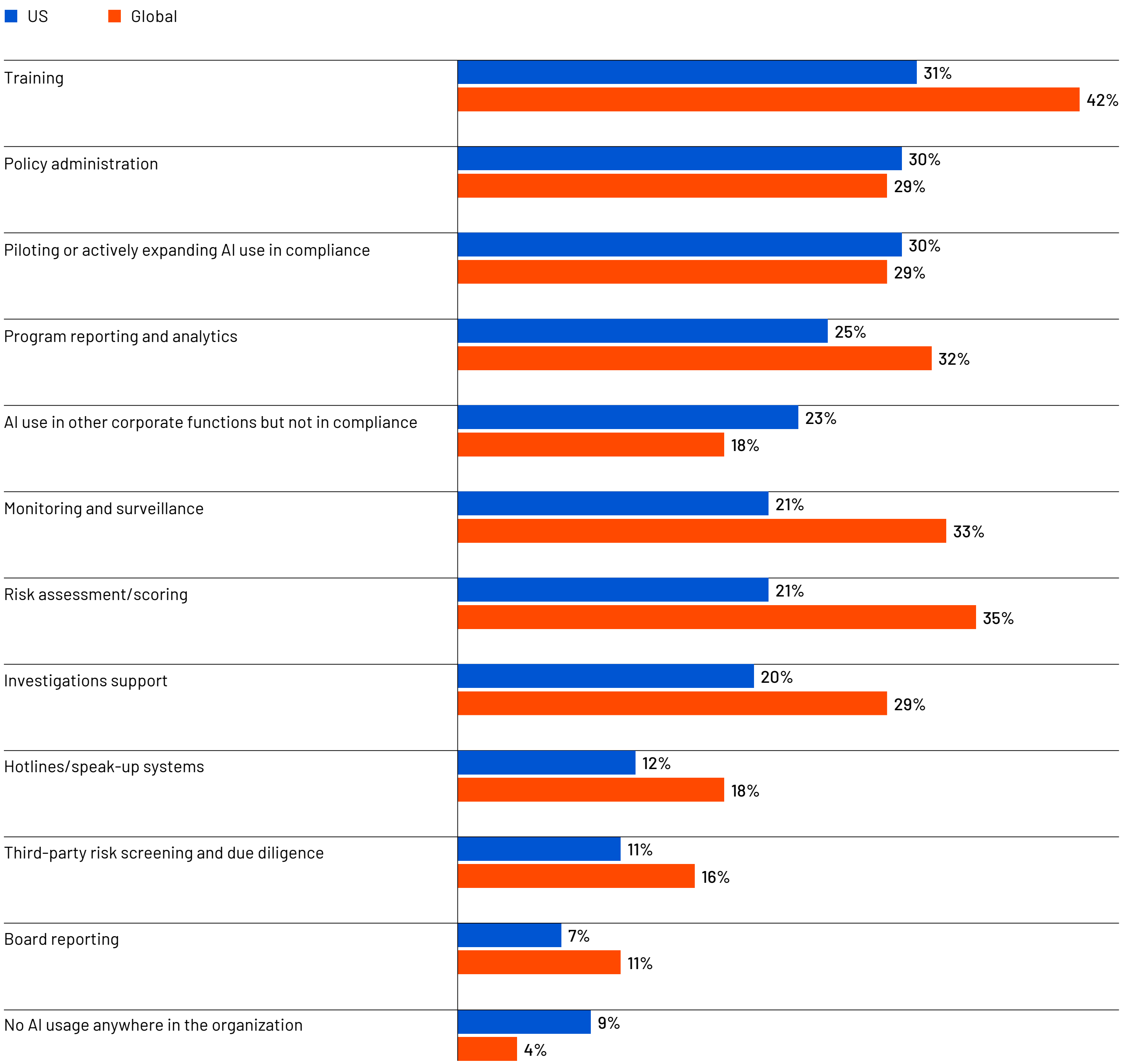
04 AI adoption in compliance is taking a different path in the US

Struggling U.S. organizations are accelerating AI adoption in compliance, but technology cannot solve the trust and cultural problems undermining their programs.

The U.S. uses AI less in compliance than global peers, and in the context of the market's regulatory environment or their litigation-heavy culture, this may not be as surprising as it initially seems. What is more revealing is where struggling U.S. organizations are directing their AI investment, and what it says about how they are trying to solve a problem that technology alone cannot fix.

Across almost every compliance function, U.S. AI adoption trails the global average. For a country at the forefront of AI development more broadly, this seems counterintuitive.

CURRENT AI USAGE WITHIN ETHICS AND COMPLIANCE PROGRAMS



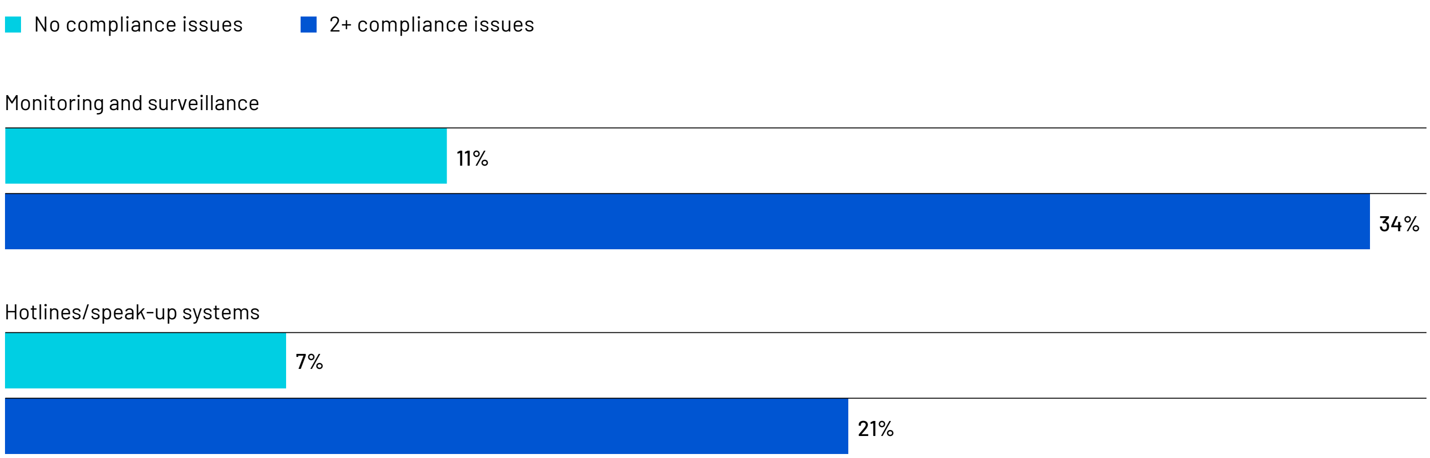
Which of the following areas of your compliance program currently use AI?

Organizations in the U.S. with zero compliance issues appear more comfortable sitting with uncertainty about AI. Twenty-seven percent of respondents at such organizations say it is too early to tell how AI will change their compliance function over the next two to three years, against 15% of organizations with two or more issues, a 12 percentage point gap.

When you don't have an acute problem to solve, you can afford to be more intentional about AI deployment.

For organizations with two or more issues in the past two years, the pattern of AI adoption is the concern. Not only is AI usage higher across every compliance dimension, but among the areas where there are the biggest gaps between two-or-more and zero issues are the exact functions that are undermined by employee distrust in organizations with two-or-more issues:

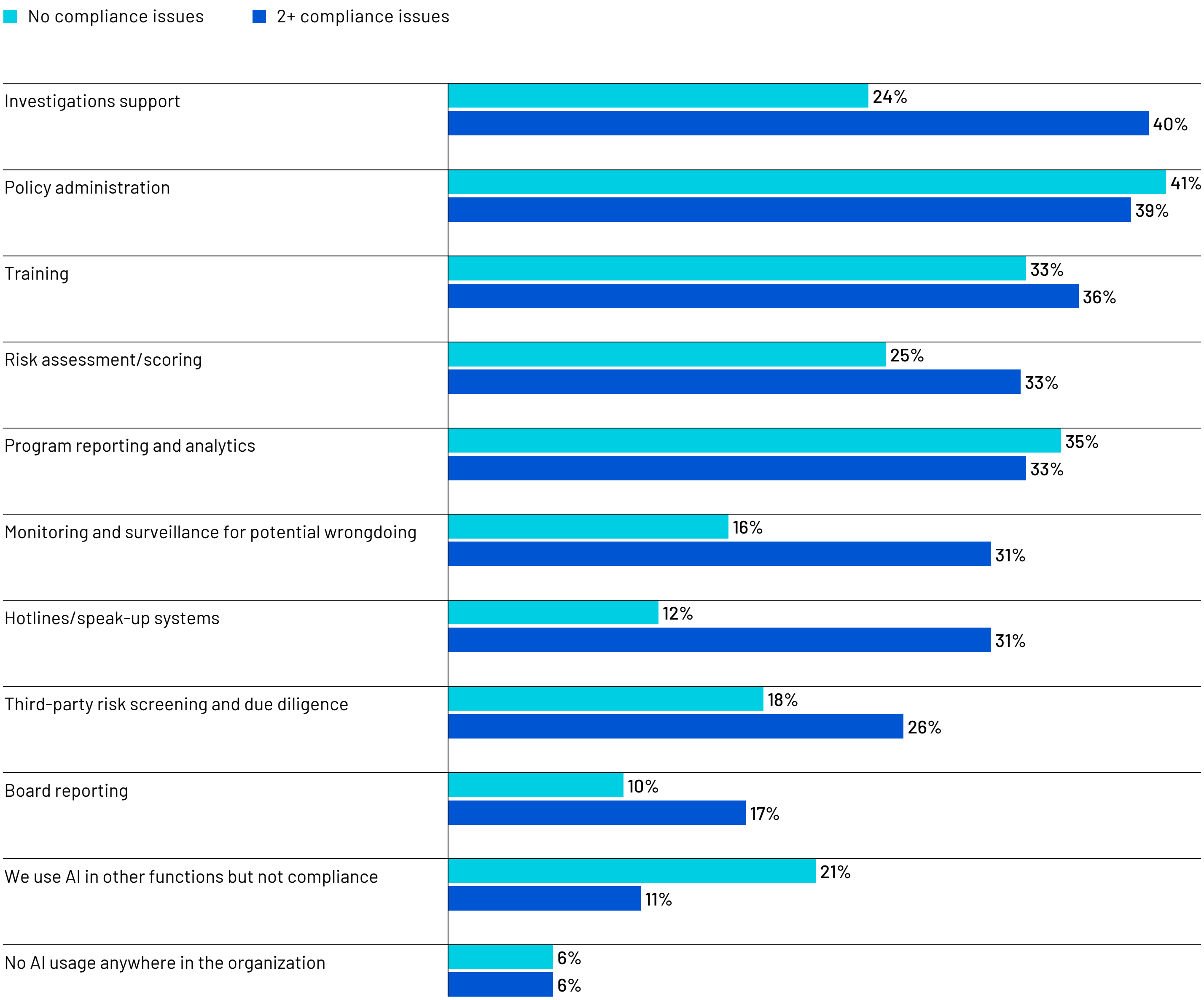
BIGGEST GAPS IN AI ADOPTION BETWEEN COMPLIANCE ISSUES



The forward-looking data shows these same companies may not be pausing to build the cultural foundations that would make AI-mediated speak-up or investigations trustworthy. They are only accelerating their usage of AI.

The risk is not AI. It is the sequence. Deploying AI into a speak-up system in an organization where employees already fear retaliation and don't believe concerns will be acted on does not fix the trust problem; it risks deepening it. Transparency about how AI is being used, what it does with a report, and what human oversight is in place is not a nice-to-have in these contexts. It is the condition that makes the deployment trustworthy. U.S. organizations with two or more issues are adding a technological layer on top of a cultural problem they have not yet solved.

PLANNED AI USE IN R&C PROGRAMS BY NUMBER OF ISSUES EXPERIENCED ISSUES EXPERIENCED



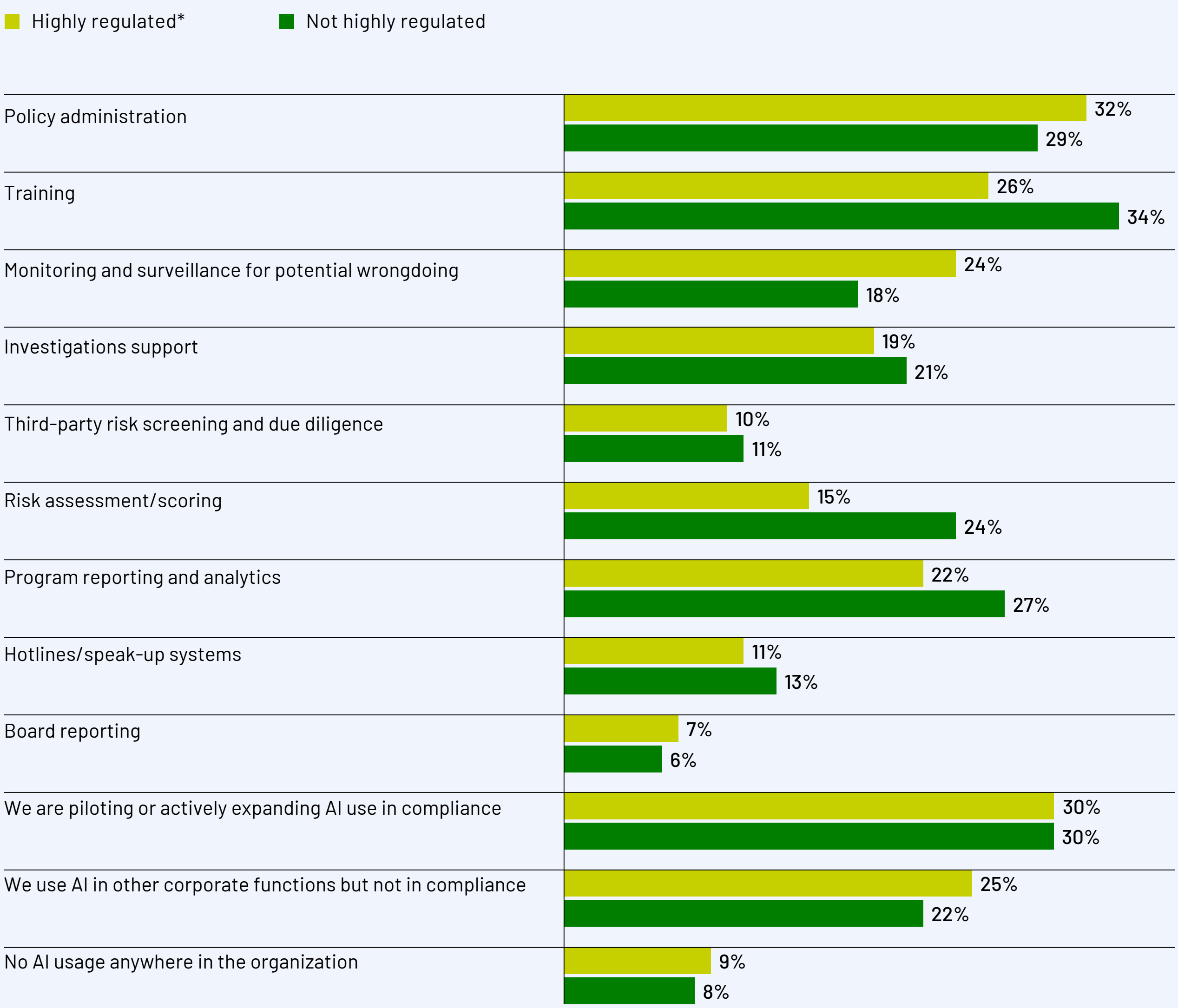
Which of the following areas of your compliance program will use AI in the next 12 months?

Regulation does not equal readiness

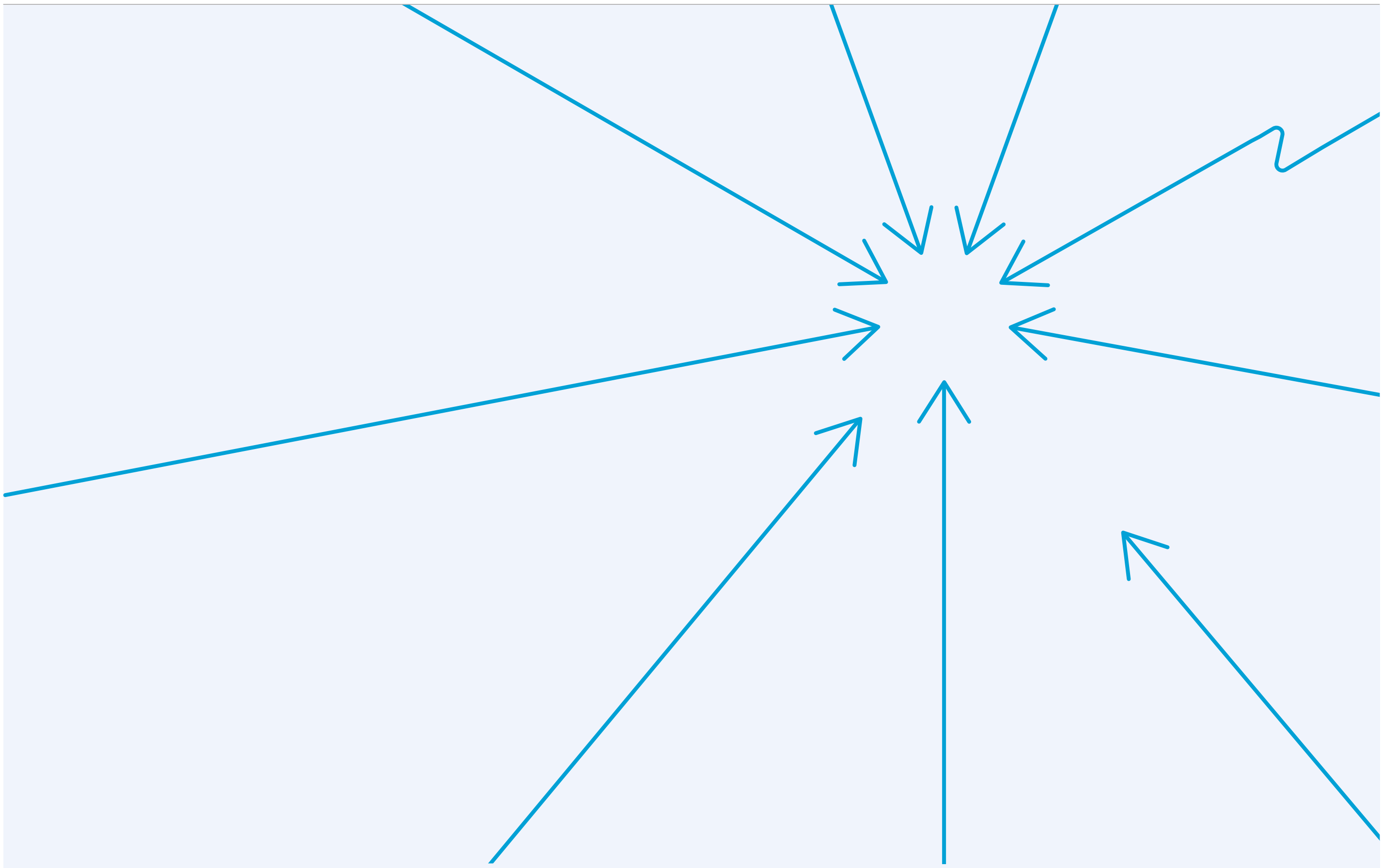
The findings reinforce a wider lesson: effective AI adoption depends not only on controls, but on the culture and confidence to put AI to work.

In highly regulated industries, structural governance investment has not translated into more targeted or effective AI adoption. The same pattern holds across the report: structure does not substitute for culture.

PLANNED AI USE IN R&C PROGRAMS BY INDUSTRY



*Highly regulated industries are listed in the Survey methodology section



Final thoughts

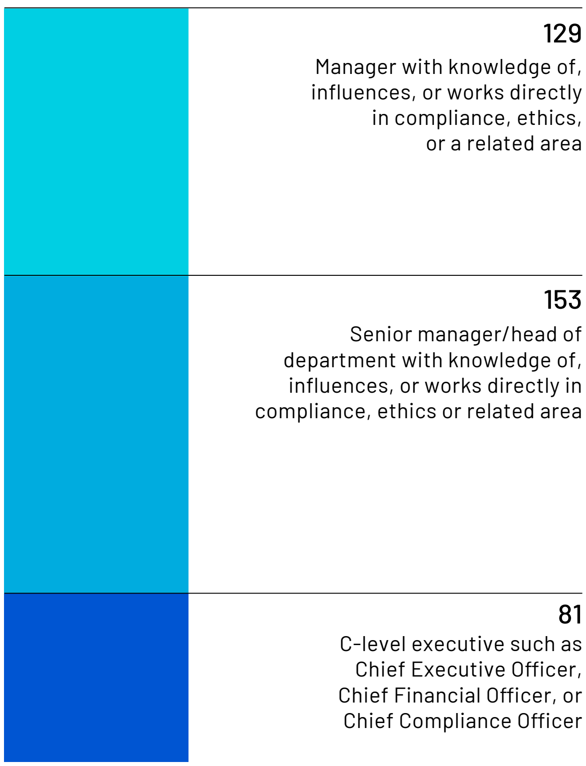
The U.S. has largely built strong programs that perform on par with the rest of the world, but what separates American organizations that genuinely embed compliance into decision-making from those that do not comes down to whether people in the organization believe their leaders view compliance as a strategic advantage.

In a moment when the regulatory environment is shifting and the margin for reactive compliance is narrowing, the organizations best positioned are those that have already done the cultural work. For those that haven't, the opportunity is not necessarily to spend more. It is to ask honestly whether compliance is experienced at every level as something leadership genuinely values.

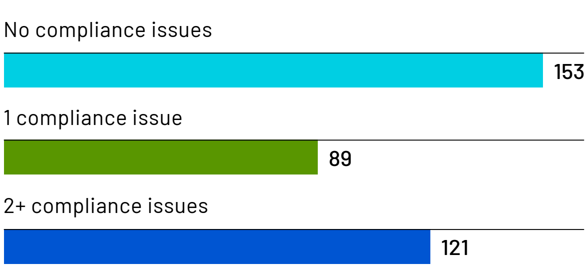
Survey methodology

NAVEX and alan. agency surveyed 1,179 executives at businesses across a range of industries globally, including healthcare and social assistance, manufacturing, professional, scientific and technical services, retail trade, utilities and more. U.S.-specific findings are derived from the 363 respondents based in the U.S. The fieldwork by iResearch Consulting Group took place between January 5 and February 5, 2026.

JOB ROLES

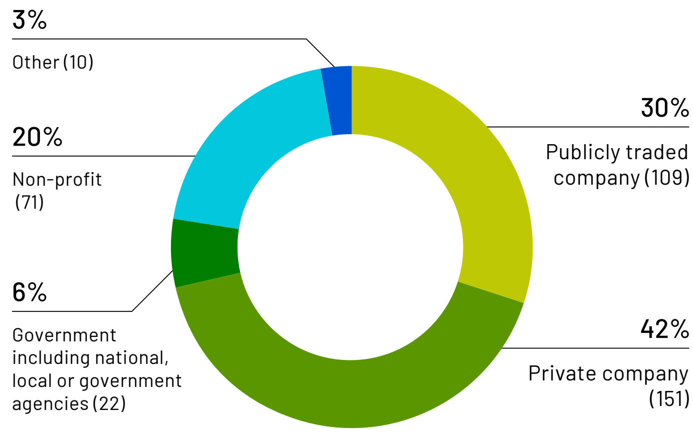


NUMBER OF COMPLIANCE OUTCOMES EXPERIENCED IN THE LAST TWO YEARS*

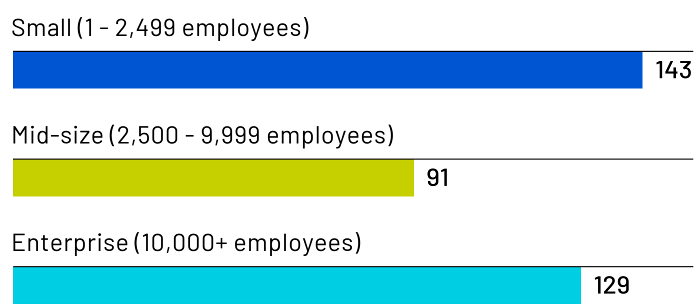


*Note: This report treats one compliance issue as the midpoint (i.e., broadly average performance) which means zero issues represents better-than-average outcomes and two or more represents worse-than-average. This threshold also produces balanced group sizes to ensure a statistically stable comparison.

OWNERSHIP



COMPANY SIZES*



REGULATED INDUSTRIES

146

Highly regulated (Healthcare and social assistance; finance and insurance; mining, quarrying, oil and gas extraction; and utilities)

217

Not highly regulated (Manufacturing; educational services; professional, scientific, and technical services; retail trade; transportation and warehousing; Construction; Accommodation and food services; Real estate, rental, and leasing; Wholesale trade; Public administration; Arts, entertainment, and recreation; Agriculture, forestry, fishing, and hunting; Management of companies and enterprises; and Administrative, support, waste management, and remediation services)

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