

Governance Cost Inversion

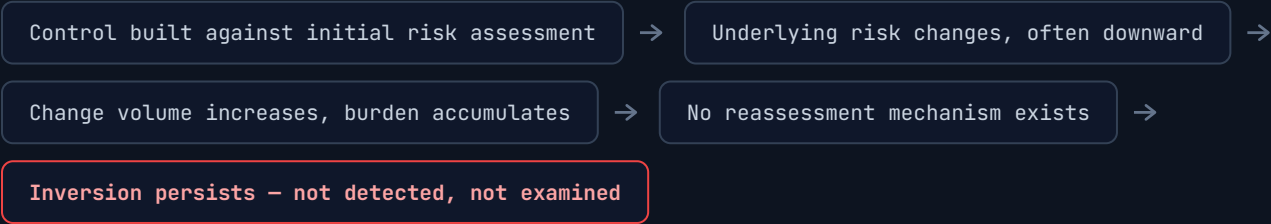
DEFINITION

The point at which a governance control's recurring cost exceeds the risk-adjusted value of the risk reduction it provides, independent of whether governance is executing correctly.

FRAMEWORK FLOW

01 The Condition Controls scale with change volume, not with the risk differential of the change class.	02 The Boundary Does marginal cost stay below marginal risk reduction, or does it cross over?	03 Failure State Governance Cost Ratchet — cost accumulates, never reassessed against current risk.	04 Consequence Velocity and cost degrade for a risk class whose actual exposure never changed.
--	--	--	---

Failure State: Governance Cost Ratchet



THE FOUR INDICATORS

APPROVAL-CHAIN LENGTH Governance effort per change class, compared against the blast radius that change class actually carries.	TIME-TO-APPROVE Approval latency compared against observed incident rate — a proportionality check, not a causal claim.
AUTO-APPROVABLE, STILL SIGNED OFF The share of changes eligible for automated approval under policy that still route through a human control adding no proportional risk reduction.	COST PER APPROVAL CYCLE Labor cost per cycle, compared against the expected loss the approval is meant to prevent.

ARCHITECTURAL RELATIONSHIPS

#159 Emergency Reconciliation Gap RELATEDMODERATE Constrains a distinct governance-failure surface — #159 requires a structural absence (no defined path back from an authorized exception to governed state); #174 requires no structural failure at all.	#172 Automation Validation Tax RELATEDSTRONG Defines the adjacent MI5 automation-economics axis — #172 measures the cost of confirming output correctness; #174 measures the cost of the approval layer regardless of whether correctness is even in question.
#139 Automation Debt Curve RELATEDWEAK #139 measures pipeline and maintenance burden inside automation; #174 measures the governance-layer cost imposed on changes passing through that automation.	

ANCHOR /governance-cost-inversion/

FRAMEWORK HOME

The cost-vs-risk-value crossover is control-agnostic — the same mispricing shape holds regardless of which specific approval tool or CAB structure sits beneath it.

"A governance system that can add controls but never subtract them isn't conservative. It's unaudited in one direction only."