

Directors and executives need to understand the implications of **AI governance** on their organizations and take proactive measures to ensure responsible and ethical practices.

The following 12-point checklist can serve as a starting point for companies looking to develop their AI governance framework:

1. Understand the company's AI strategy and its alignment with the broader business strategy.
2. Ensure AI risk owners and related roles and responsibilities are clearly defined, and that those individuals have the appropriate skill sets and resources to properly undertake those roles.
3. Understand the company's AI risk profile and set or approve the tolerance for AI risks.
4. Ensure AI is a periodic board agenda item, either at full board or risk committee meetings, and that the board has adequate access to AI expertise.
5. Understand the legality of the use and deployment of AI, including the collection and use of training data, across the business.
6. Understand how the business ensures that ethical issues involved in AI use are identified and addressed, especially bias and discrimination.
7. Understand how AI systems and use cases are risk-rated (i.e., the ratings criteria and assessment process), and which have been prohibited, and why.
8. Understand the critical and high-risk AI systems that are used and deployed across the business, and the nature, provenance, and reliability of data used to train high-risk systems.
9. Understand the trade-offs made in decisions involving AI (e.g., accuracy vs fairness, interpretability vs privacy, accuracy vs privacy, accuracy vs adaptability).
10. Ensure there are processes for management to escalate and brief the board on any AI incidents, including on the organization's response, any impacts, the status of any investigations, and learnings identified as part of the post-incident review.
11. Ensure compliance with the AI risk management program is audited by the audit function in line with its third-line role.
12. Ensure the AI risk owner regularly reviews the effectiveness of the AI risk management program and policies.

