



## Adopting an AI Strategy and Governance Program for Risk and Compliance

### Applying Best Practices for Success – A Call to Action



#### Abstract

Review AI best practices in strategy, governance and deployment to ensure alignment of IT, Business, Risk and Compliance teams as they embrace sustainable, AI-powered initiatives.

# Executive Summary

In this eBook, we look at best practices organizations may adopt as they create AI strategies and enhance governance programs. Having a scalable, sustainable framework to steer AI initiatives is essential for successful transformation of the business and in particular, risk and compliance programs. Our goal is to share how teams can more swiftly govern and deploy AI solutions, within the dynamic landscape of modern business.

***AI Strategy and Governance should extend your organization's existing structures and frameworks to address the specific requirements of Artificial Intelligence regulations.***

This eBook serves as a comprehensive guide, covering the challenges and best practices in developing a scalable AI strategy and governance program, based on extending existing structures, processes and evolving frameworks. We show how specific AI requirements can be embedded so that your organization can leverage AI rapidly, appropriately and responsibly to transform your business processes, supporting business, legal, government relations, privacy, security, IT, compliance and risk professionals. We provide a framework for adopting AI strategy and principles into your governance program.

We propose changes to evaluation and deployment cycles to make your adoption process smoother and more efficient. We conclude the eBook with a discussion on how organizations can achieve sustainable, AI-powered compliance.

## AI Presents a Major Paradigm Shift for Risk and Compliance Teams

AI will bring a major paradigm shift, changing how we run our enterprises, and ultimately, how we understand and leverage information. AI automates many repetitive tasks, identifies patterns used to enlighten decision-making, and allows us to achieve more with less effort. Many believe that AI is currently underestimated in terms of its overall impact, yet overestimated in terms of the time it will take for organizations to realize real value. Profound changes will likely come in waves over the next decade. We will see AI augment human work across many domains, from medicine to transportation to business. This paradigm shift raises fundamental questions about the nature of decision-making, automation, and what is required to build and run a successful AI-powered enterprise.

## How must we prepare for these inevitable shifts – to not only adapt, but thrive?

The value of AI is astounding. By crunching through massive amounts data, AI connects newly found dots, providing analyses and potentially making decisions at lightning speed, far beyond what a human team can accomplish. The promise of AI is to free organizations to channel their resources, creativity, and expertise toward broader, more strategic initiatives while developing new and better ways of doing business. With AI as our advisors, we find ourselves probing deeper into the 'hitherto unthinkable'. We step beyond trends and analytics, to discover swaths of processes revealed as redundant while opening entirely new possibilities.

Agility and execution take on an entirely new level of meaning when answers to new, critical questions come in seconds, not weeks. Successful enterprises are now entering the AI world, grappling with extensions to strategies and governance required to ride these wild waves.

## The Art of the Impossible

Strats and Stats are the age-old tools of the Master Ship Navigator. 'Skate to where the puck is going to be', to quote hockey legend Wayne Gretzky. This vision takes a special kind of perspective, one that can view the terrain, anticipate shifts and adjust the map. We have those kinds of people in our organizations, and if we don't, we'll need to build, borrow or steal them to help guide teams through this transformation. We've done it before, when 2/3 of organizational hierarchies flattened during the 80's through a combination of process re-engineering and automation. We did it under COVID in the 20's as we moved to the cloud and adapted to a hybrid workforce. We can do it with AI.



## Challenges in Embracing AI

Even though AI offers significant potential, there are distinct hurdles to overcome as we embrace it more widely across our organizations, and more deeply into our processes, both within and beyond our organizations into the fabric of our interconnected world. Here are some of the key challenges:

- Trust, Transparency and Explainability:** AI algorithms are typically complex, and as a result, most professionals find it difficult to explain how they arrive at decisions. Without meaningful transparency, people become wary of using AI, especially for critical tasks. Some vendors are reluctant to share proprietary information on algorithms, making explainability difficult.
- Bias and Fairness:** AI systems notoriously can reflect and amplify biases that exist in the data they are trained on. This can lead to hallucinations (providing information that has been made up), and unfair outcomes. For example, if an AI used for hiring decisions perpetuates discrimination against certain groups, that's data bias. In addition, systems with weak security may have models poisoned with unwanted data.
- Job Transformation Impact:** AI automation may lead to job changes and potential losses, as machines take over tasks currently done by humans. While research is predicting AI is likely to create new jobs as well, there will be a need for retraining and support for workers whose jobs are affected. Jobs and roles can be enriched with AI, as 'Human in The Loop' will always be required.
- Roles change:** Even for those who retain jobs, with AI, the responsibilities of professionals will likely change. Tasks that may have taken weeks are now completed in minutes. It's important to get out ahead of those transformations and keep those who are affected committed and enthusiastic about their careers and future in the company. Redefining roles to bring more value to strategic efforts can be very effective, and it needs to be done upfront so you don't risk losing valuable employees.
- Regulation and Governance:** As AI becomes more ubiquitous, regulations and governance frameworks will evolve to ensure it is used ethically and safely. The policy, risk and control frameworks used within organizations will change along with regulations, rules, laws and standards. This is a complex issue, as it requires the right timing, and balancing innovation with risk mitigation.
- Data Security and Privacy:** AI systems consume vast amounts of data, including personal and proprietary data, that needs to be collected, stored, and used responsibly to protect people's privacy and security.
- Technical Challenges:** AI is still rapidly evolving, with many technical challenges, including limitations in computing power, complexity of models and the ability to work with complex real-world data.

- **Advisory Partners** that have been conducting services may also see the scope of their work change. This is true of professionals who conduct audits or assessments where traditional analyses can be significantly augmented with AI. It's important to keep high-value partners in the loop so they can contribute in ways that help the organization develop an AI strategy that is scoped well and can scale with the organization.
- **AI Product Selection Methodology:** AI products are best acquired by conducting a short, meaningful evaluations with the right use cases, and leveraging the right stakeholders, with a highly streamlined approval process to understand and measure the impact of using AI. It's important to develop and share tools and successful approaches across teams. By the time you start deployment, the landscape may have changed so it's critical to be fast and agile.
- **IT/Security Gates** are often at the centre of AI strategy and architecture, as IT groups begin to orchestrate solutions across multiple business units, geographies and customer groups. Since technology professionals are in high demand, you may not always have the skills you need. Ensure teams are doing the right things at the right time. AI technologies are being rapidly adopted in some organizations, with streamlined rollout, testing, training and support processes.

Even with these challenges, ongoing research, development and incremental innovations are meeting them. Researchers, developers, vendors, policymakers, and the public can collaborate ensure that AI is developed and used for the benefit of everyone.

## Why Do We Need AI Strategy & Governance?

AI strategy and governance should not exist in a vacuum, but rather be embedded within existing enterprise, business and IT strategy and governance models, extending them to address very specific concepts required for AI deployments. By embedding AI principles into existing processes, the organization can move with greater speed and confidence to assess opportunities to embrace AI that have potential to help the organization reach its goals.

In essence, this is a natural part of continuous improvement and adaption within an evolving regulatory, contractual, legal compliance and technology landscape. The principles of responsible and trustworthy AI need to be explicitly defined, understood, and incorporated into business strategy and governance to ensure they are appropriately covered in the enterprise framework. AI is a new technology, with many rapidly evolving dimensions, so the requirement to continuously improve as technological, societal and legal requirements evolve will be essential for success.

## How Does an AI Strategy Differ from any other business or IT Strategy?

Business strategy and AI strategy are interconnected, but they focus on different aspects of business process, time horizons, metrics, technology and level of detail. Bottom line: business strategy sets the overall direction and goals, and AI strategy identifies how AI technology can be used to achieve those goals.

**Business Strategy is high-level and focuses on a longer-term view**, with a broad scope, encompassing all aspects of the organization, including marketing, research and development, finance, IT, operations, and human resources. Executives define the vision, mission, overall goals and direction of the enterprise, considering target markets, competition, and how to create sustainable competitive advantage and increase stakeholder value.

## When leadership considers AI's impact on business strategy, they ask key questions

- What AI techniques must we adopt in what timeframes, to create our business?
- How is our competition leveraging AI successfully, and unsuccessfully?
- What are the impacts of AI to people, process and technologies in our organization?
- What AI technologies are proven, innovative or over the horizon?
- What do we need to understand, what principles do we need to adapt?
- What governance structure, process and policies will guide us in our efforts?

AI Strategy focuses on a deeper level of detail, and specifically addresses how AI can be leveraged to achieve business objectives, identifying areas where AI can add value. It focuses on specific AI technologies, data requirements, and effectiveness of implementation plans to execute the AI initiatives.

Here are some key considerations unique to AI that must be considered when dovetailing with business strategy.

- **AI strategy may need to adapt more quickly** as AI technologies evolve rapidly and more viable use cases arise. AI is a new technology, comprised of many domains: Generative AI, Conversational AI, Super Intelligent AI, and more. Each are fast-evolving domains, where an advance in one domain can create breakthroughs in a related area, that exposes your organization to both new opportunities, and new threats.
- **AI can introduce new risk** and intensify existing risks, especially when AI is used by third parties or in systems that have been outsourced.
- **Existing governance structures require support** to effectively identify, analyze, and implement controls for AI risks. Emergent risks may require a faster response than existing governance structures permit.
- **Responsible and Trustworthy AI require a different kind of assessment** on use of new AI technologies, including skills to assess models, algorithms and integrations.
- **AI introduces a new type of governance: AI Model governance**, that will ensure AI models are selected, developed, trained, tested, deployed, and maintained in line with organizational goals and risk tolerances. Model Governance defines requirements for access controls, model versioning history, training, data controls, and model activity tracking.
- **The regulatory landscape for AI is complex and rapidly evolving** with formal and dedicated governance required to maintain compliance across jurisdictions. Existing laws and regulations, such as EU Data Privacy Act, HIPAA and GDPR, will also apply to models that use personal data or that assist or replace human decision-making.

Effective, integrated governance will help your organization deliver against your strategy while effectively escalating and remediating material AI risks. Organizations without effective governance leave themselves open to unacceptable risk and stalled initiatives.

# How Does an AI Governance Differ from Enterprise, Business or IT Governance?

AI Governance is a subset of enterprise governance, just as IT or Program Governance is a subset. Many governance programs overlap and interlock. The overall objective of good governance is to provide a system of rules, practices and processes that guide how a business domain is directed and controlled. Governance is essentially the framework that ensures the business operates in a responsible, ethical and efficient way.

**Enterprise Governance helps ensure strategic intent is understood** by establishing a clear vision and long-term goals for the business, ensuring everyone is working towards the same objectives. It defines clear lines of accountability, responsibility for decision-making and financial management. It also establishes processes to identify, assess, and mitigate potential risks that could threaten the business.

**AI Governance applies to all initiatives, build or buy; it cannot be outsourced.**

Business and IT Governance structures and processes operate under the umbrella of enterprise governance, and apply the principles of accountability, risk and compliance management within the scope of their domains to ensure the business adheres to relevant regulations, rules, laws and industry standards.

**AI Governance, specifically, defines a structured approach to managing, monitoring, and controlling the effective operation of a domain and human-centric use and development of AI systems.** Packaged or integrated AI tools do come with risks, including biases in the AI models, data privacy issues, and the potential for misuse. A robust AI governance framework helps mitigate these risks by establishing guidelines and controls that align with the ethical standards and values of the organization. It promotes transparency, fairness and trust of stakeholders.

Effective governance structures incorporate these processes into their programs to address AI:

- **Stakeholder Involvement:** Include diverse perspectives from stakeholders across your organization and the extended enterprise who touch AI systems: developers, policymakers, ethicists, and the public.
- **Use AI Principles to Prioritize and Conduct Impact Assessments:** Conduct thorough assessments of potential social and ethical implications before deploying AI systems.
- **Define Clear Policies and Procedures:** Establish clear policies and procedures for the selection, development, deployment, and use of AI systems.
- **Auditing and Monitoring:** Implement audit and monitoring processes and controls to ensure AI systems adhere to your AI Principles, in particular, fairness, transparency, accountability, security, bias and potential risks.
- **Continuously Improve:** The governance framework should be adaptable to keep pace with evolving legislation, AI technologies and societal needs.

## Extending the Policy, Risk and Control Framework for AI

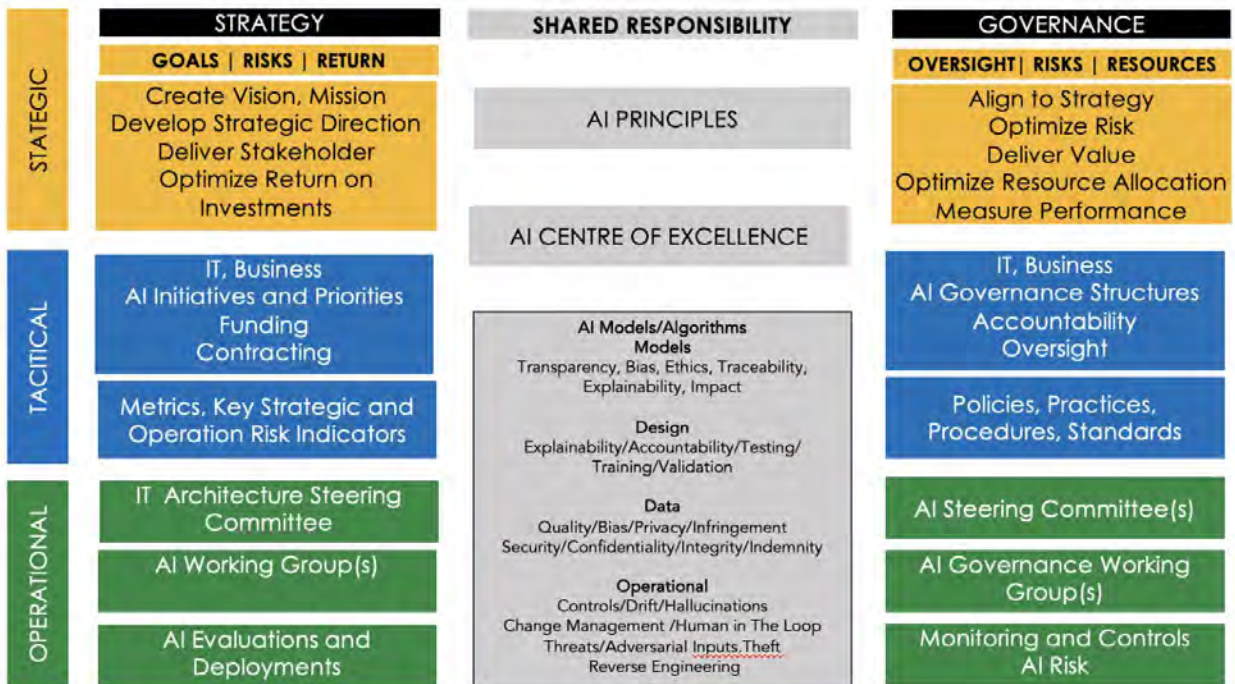
To successfully manage AI risks, you must align risk with your existing policy, risk and control frameworks and update them to include AI frameworks and processes.

- The risk management framework should include the definition of the risk categories to **differentiate high-impact and high-risk AI models** and systems from lower risk ones.

- AI governance needs to be **aligned with the enterprise risk management framework** and take advantage of its established processes and structure.
- AI governance needs to ensure that risk management implements **sufficient oversight** and **effectively challenges the proposed use of AI systems**, evaluates risks through the project lifecycle, and monitors production use of AI systems.
- The AI risk management framework should include an **auditing process** for third-party products. These can include any off-the-shelf AI-powered vendor products and prebuilt models.
- Ensure **shared responsibilities between AI strategy and AI governance structures are explicit** and well understood by all team members, for example, AI Principles, AI Centers of Excellence and AI risk categories and topics.



### AI STRATEGY AND GOVERNANCE FRAMEWORK COMPONENTS



## AI Related Legislation

Governments around the world are developing AI **Regulations, Rules, Laws and Standards**, as well as assessment methodologies. If your organizations operate in these jurisdictions, or do work with these governments, incorporate these tools in your risk assessment.

- For example, the UK AI Strategy suggests that the ICO will continue to be a pragmatic, risk-focused regulator, and that **if the usual Data Privacy Impact Assessments are conducted** and appropriate safeguards put in place, businesses will be free to experiment with and develop AI.

Here is a example of AI regulations, standard and methodologies that may apply to your organizations.

### The European Union

The **EU Artificial Intelligence Act (EU)** assign applications of AI to three risk categories: applications and system that create can unacceptable risk, such as government- run social scoring: high-risk applications, such as CV-scanning tool that ranks job applications: and lastly, applications not explicitly listed as high risk.

### The United Kingdom

The UK ICO principle in AI regulations align with established data protection principle, e.g., the transparency, fairness and accountability principle, and prefer to cover AI with existing regulations, particularly privacy and data protections, taking a pragmatic and risk-focused approach.

### Singapore

The **FEAT Principles Assessment Methodology was created by the monetary Authority of Singapore (MAS)** is collaborated with other 27 industry partners for financial intuitions to promote fairness, ethics, accountability, and transparency(FEAT), in the use of artificial intelligence and data analytics (AIDA).

### Canada

Responsible use of artificial intelligence (AI), guiding principle (Canada): AI regulations that ay apply to your organizations. **Bill C-27, Artificial and Data Act (AIDA) (Canada)**, when passed, would be the first law in Canada regulating he use of article intelligence systems.

The **Algorithmic impact Assessment tool** (Canada) is used to determine the impact level of an automated decision system. It defines 4B risk and 33 mitigations questions. Assessment scores consider factors such as system design, algorithm, decision type, impact, and data.

### United States

The national AI institute Act of 2020 (DIVISION E SEC. 5001) (US) become law on January 1, 2021. This is a program across the entire federal government to accelerate research and applications

**NIST AI Risk Management Framework (AI RMF)** to help manage the risk of Generative AI.

- New legislation such as the **EU AI Act require that organizations and their vendors show transparency, explainability safety, bias**, and so on. That generally requires a governance structure that involves the business, IT, security as well the traditional 2nd and 3rd line functions.
- Frameworks such as the NIST AI Risk Management Framework (AI RMF) help **manage specific components of AI** – for example the risks associated with Generative AI.
- Make sure you **cross-map all regulations in scope for your organization, merging obligations from various sources**, to ensure your rulebooks, policies, risks and controls are comprehensive, but not duplicative or contradictory.

## How Does Responsible AI Relate to Trustworthy AI?

The terms "Responsible AI" and "Trustworthy AI" are two sides of the same coin, working together to ensure AI is beneficial and reliable. Both rely on existing regulations, rules and laws and standards that require privacy and resilience, but raise the bar, due to the astounding nature of the technology itself, and its' ability to perform functions and provide insights at machine-speed, rather than human-speed.

When we talk about Responsible AI (RAI) and Trustworthy AI (TAI) we are referring to all aspects of creating, complexity, transparency, fairness, training and security of AI models and algorithms.

We need these hyper-powered principles because AI is a new technology that brings into question the process of decision-making with lightning-speed tech. As a result, new concepts arise in both Responsible AI and Trustworthy AI that reflect the innovation and rapid evolution of the technology itself.



Responsible AI is about the development and deployment of AI systems, holding fast to ethical principles. This includes aspects like:

- **Fairness:** Avoiding bias in the training data and algorithms.
- **Transparency:** Being able to explain how AI arrives at decisions.
- **Accountability:** Having a clear chain of responsibility for AI actions.
- **Security:** Protecting AI systems from threats, including misuse or hacking.

Trustworthy AI is the result of developing a system using responsible principles, that make it reliable and trusted by its users. This includes aspects like:

- **Accuracy:** Ensuring correct, reliable and consistent results.
- **Explainability:** Being able to understand the reasoning behind the AI's results.
- **Robustness:** Performing well even with unexpected inputs.
- **Security:** Being resistant to manipulation or attacks.

## AI Principles – Examples You Can Use

AI Principles are foundational to AI governance. They should guide decision-making at all levels of your organization in ways that ensure everyone is leveraging the innovative potential of AI while at the same time protecting shareholder value from risk and failures. Use a range of inputs when formulating your AI principles, including your organization's goals, corporate values, culture, and governance, your AI goals, known AI risks of the technologies in scope for your organization, expectations of key stakeholders and AI regulations, rules, laws and standards.

AI Principles can inform your policies, governance structures and processes. It's critical to publish your AI Principles to employees, third parties and other stakeholders. Sharing and training on these principles will help your organization govern the use of AI internally. Use examples to drive the intent behind a principle home. Answer the questions, 'what is this', 'why have this?' and 'how do we do this'?

Here are examples of AI Principles that you can consider revising and adopting for your organization:

### EXAMPLE PRINCIPLES FOR RESPONSIBLE, TRUSTWORTHY and SUSTAINABLE AI

Principle	What	Why and How
<b>Responsible AI Examples</b>		
<b>Fairness and Bias Detection</b>	Endeavour to ensure any models/systems are fair and free from harmful bias. Ensure training data and algorithms avoid discriminatory outcomes and comply with laws on accessibility and inclusiveness.	AI systems should be designed and used to avoid bias, ensure fair outcomes for all and be able to show proof of fairness. This builds trust and enhances reputation.
<b>Transparency</b>	Strive for AI that can transparently explain its reasoning and decision-making processes.	People should be able to understand how AI systems arrive at decisions. This builds trust and allows for oversight.
<b>Accountability</b>	Establish clear ownership and responsibility for the development, deployment, and actions of your AI.	There should be clear lines of responsibility for the development, deployment, and actions of AI systems including Human-in-the-Loop for reviews.
<b>Security and Safety</b>	Prioritize robust security measures to protect AI systems from misuse and manipulation, model poisoning, theft or reverse engineering.	AI model/systems should be resilient, secure, and safe throughout their entire lifecycle, with metrics to show how this is being done and the efficacy of controls.

<b>Data Privacy</b>	Privacy values such as anonymity, confidentiality, and control will guide choices for AI models and system design. Adhere to data privacy regulations and implement strong data security with role-based access and audit trails.	Individual privacy rights must be protected when collecting, storing, and using data for AI development. Robust security measures safeguard AI systems from misuse.
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### Responsible AI Examples

<b>Accuracy, Validity and Data Quality</b>	Acknowledge the importance of high-quality, accurate and continuously validated data to train effective and unbiased AI models.	Accurate data will yield accurate results and reduce drift, which builds trust in AI.
<b>Explainability</b>	Build and deploy AI systems that are understandable and explainable, fostering trust in their decisions.	People should have meaningful explanations about AI decision-making and opportunities to review results and challenge these decisions.
<b>Robustness, and Reliability</b>	AI systems should perform reliability and as expected, incorporating strong and resilient processes.	AI systems, especially mission-critical processes, need high resilience to be trusted and effective.
<b>Human-centered Design</b>	Focus on designing AI that complements, empowers and augments human capabilities, rather than replacing them.	Focus on designing AI that complements, empowers and augments human capabilities, rather than replacing them.
<b>Human in The Loop</b>	Ensure Humans in the Loop verifies at the appropriate stages of the business process, providing sufficient training as systems evolve.	Humans should be able to verify, collaborate on and revise results from AI to ensure reliability, accuracy and build trust.
<b>Safety and Reliability</b>	Prioritize safety measures and build robust AI systems that can handle unexpected situations.	AI systems should be built with safety in mind, mitigating risks and preventing unintended consequences.

### More AI Examples

<b>Social Benefit and Justice</b>	Ensure your AI applications are designed to address social challenges and improve human well-being and equity.	I teams need to transparent about how and when we are using AI, starting with a clear user need and public benefit.
<b>Sustainability</b>	Consider the environmental impact of AI development and operation, promoting sustainable practices.	AI systems should be optimized to minimize energy overuse to maintain a responsible environmental footprint.
<b>Governance and Regulations</b>	Stay informed about evolving AI governance frameworks and regulations, adapting your strategy, governance, principles, policies, risks and controls accordingly.	AI regulations will evolve as technologies and social expectation adapt. It's critical to understand how the terrain is shifting and be prepared to optimize your strategy and programs.
<b>Continuous Improvement</b>	Commit to ongoing monitoring, evaluation, and improvement of your AI strategy, principles, model and use.	Be as open as possible by sharing source code, training data, and other relevant information while protecting personal information, system integration, and national security and defense.

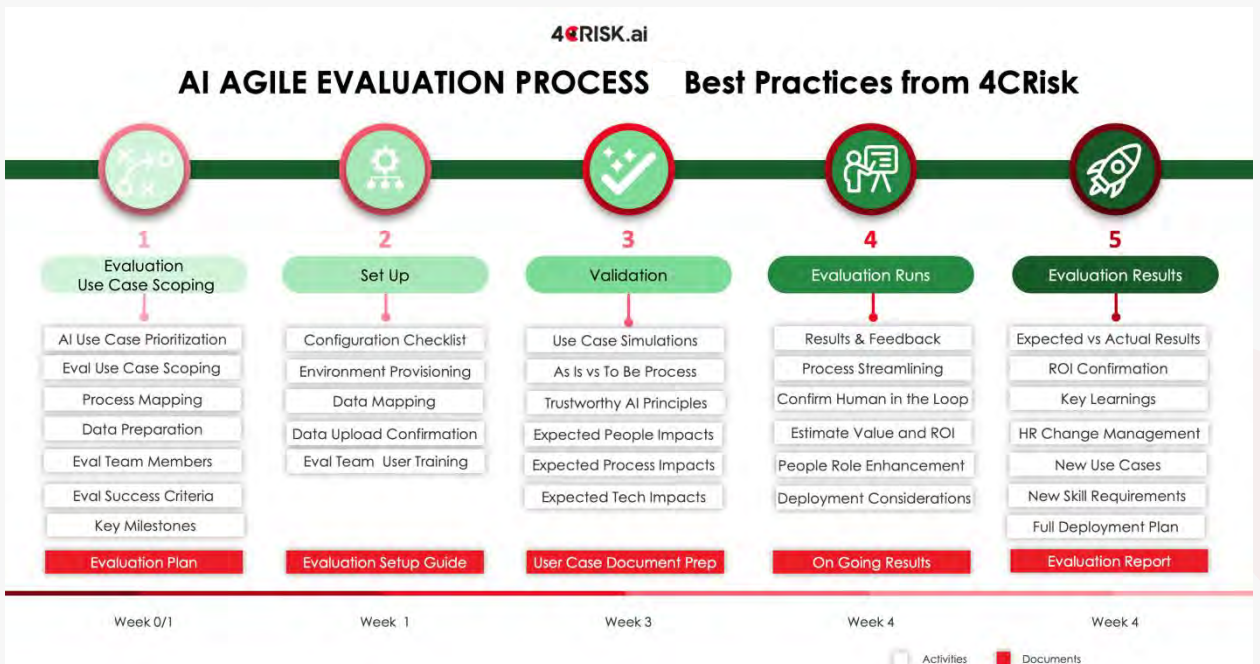
By defining AI principles, your AI strategy will be understood, technologically sound, ethical, responsible, defensible and beneficial to both your organization and society. By incorporating these principles, you can create an AI governance framework that adapts to change, promotes responsible development, fosters trust, and ensures AI is used appropriately.

## AI Product Selection and Deployment – An Accelerated Approach

Selecting AI Products requires a slightly accelerated approach. This can be done when AI Strategy, Governance and Principles are in place, making it to easier to proceed with relatively short Evaluations to confirm expected results. Trying to deploy AI products without these processes thought through beforehand, means your teams may need to ‘rewire the airplane in flight’. It can be very difficult to agree on AI principles mid-deployment, if, for example, transparency, security or bias haven’t been defined or agreed. Teams that have already invested in a specific product or deployment may be resistant to changing products mid-stream when a failure to meet AI trustworthiness that cannot be mitigated is revealed. For example, many organizations have limited the use of LLMs such as ChatGPT as their policies restrict the flow of company data into a public model. If a product vendor cannot establish upfront that company data is secure and not used to train public LLMs, and is a fundamental part of their product architecture, a deployment may need to be abandoned mid-stream.

The phases of an AI deployment can be broken down into several key stages. While the specific names and number of stages may vary slightly depending on the source, here's a common breakdown. Remember: AI requires oversight from multiple groups to ensure good governance so make sure you've got the right stakeholders involved upfront and committed.

Assuming you have your AI Strategy, AI Governance structures and processes in place, and AI Principles defined, each evaluation can follow an agile approach as follows, and depicted in the Figure below.



## ➤ **Prioritize AI Use Cases by Value**

- Identify high-value AI Use Cases, the business problem(s) that AI will solve, and the expected overall benefit. It's important to understand and prioritize use cases and map the processes that they relate to one another. AI-powered products can collapse a process that took weeks, to minutes. How will that affect the end-to-end processes?
- Avoid creating a 'Hurry-up and Wait' scenario where the AI-powered process hits a wall downstream, and the overall benefit is not realized. Has it become more, or less, streamlined with AI?
- Set up Success Criteria and expected results for an AI-powered use case.

## ➤ **Set Up and Evaluation in a Way that Reflects Reality**

- Chose a product to evaluate in a compressed timeframe, with the right team members and data to maximize learnings and fit.
- Ensure the product is provisioned in a way for IT to plan out what a full deployment would entail, with checklists and administrative procedures.
- If required, use data scientists to gather and understand the relevant data that will be used to train the AI model.

## ➤ **Validate the Use Case and Compliance with AI Principles before Commencing the Evaluation**

- Simulate the Use Case, to understand the As-Is process and measure components like time to process, number of people involved, audit trails and reporting.
- Estimate the impacts to people, processes and technologies; both AI-powered and legacy.
- Ensure compliance with your Responsible AI and Trustworthy AI principles and policies.

## ➤ **Model Development and Training**

- In this stage, data scientists select or develop the appropriate AI model architecture and train it on the prepared data. This training process may involve fine-tuning the model to optimize its performance for the specific task.

## ➤ **Run the Evaluation and Refine the Model**

- As you run the evaluation, measure the effectiveness of the product, and validate expected value for use in an ROI model.
- Identify where Human in the Loop pauses need to occur for collaboration, comments, discussion or enhancement.
- Ensure that opportunities for job/role enrichment are understood as the process is transformed.
- Note deployment considerations around training, rollout and IT services.
- Once trained, the AI model should be rigorously evaluated to assess its effectiveness and accuracy. Metrics appropriate to the task are used to identify any biases or areas for improvement. The model may be refined or retrained based on the evaluation results.

## 🔄 Complete the Evaluation and Prepare for Full Deployment

- Your evaluation results should include Expected vs Actual results, ROI confirmation, Key learnings, Potential new use cases and HR involvement for organizational change management.
- **Deployment** : If the product and model(s) meet performance benchmarks, it can be deployed into a production environment. This may involve integrating the model with existing upstream or downstream systems or developing a user interface for interaction. Ensure resilience, business continuity and failover processes are considered fully accommodated.
- **Monitoring and Maintenance**: After deployment, the AI system is continuously monitored to track its performance and identify any issues. Real-world data may expose biases or performance degradation requiring further refinement or retraining. This ongoing process ensures the AI system remains functional and delivers value.

### A Few Bits of Advice on How to Get Started:

1. Start Slow and Steady - increase with the 'Speed of imagination' - AI can bring you benefits in ways you can't always imagine at the beginning!
2. Build an AI Strategy - be thoughtful; and involve the right people to contribute the review - make it a living, principle- based document.
3. Identify high-priority use cases where the benefits are strong and clear, so that people can be get behind success, and know what it means to them and the organizations.
4. Know the data - what can be transformed into information, what your data quality is and how to improve it. This may require new talent and data scientist/analyst skills.
5. Prepare properly for business and HR change in role - get in front of it.
6. Define an agile but effective governance process - don't get bogged down! Invite those who are interested into the conversation and the process.
8. Do let partners, customers and regulators know what your AI strategy and plans are and invite their advice and feedback.
9. Be prepared for bumps from the unforeseen. Innovation is fabulous, but may require fast adaptations when there are unexpected outcomes.

## Conclusions: The Path to Sustainable, AI-Powered Compliance

AI is revolutionizing analysis and serving up insights, rapidly and accurately. With AI, your business, risk and compliance teams can become strategic enablers, leveraging AI to empower professionals to anticipate, adapt, and innovate in real-time. AI is particularly suited for data analysis, helping analyze and identify patterns more effectively, even correlating information from disparate data sets. With AI, organizations have a tool that can find and potentially diagnose problems quicker than with a much higher level of visibility and accuracy than obscure indicators.

## Strategic Decision-Making Amplified in Compliance

The synergy between AI and sustainable compliance extends to strategic decision-making. Real-time insights provided by AI-driven analytics give decision-makers a more nuanced understanding of the compliance landscape. Informed choices allow organizations to align compliance strategies with overarching business objectives, vision and mission. Deep Insights help prioritize what to do to remain in compliance. Knowing what needs to change, in priority sequence, is table stakes for staying in compliance with regulations and evolving business obligations.

Insights allow teams to quickly triage and act to address exposures to a particular risk.

# Agility and AI-Powered, Sustainable Compliance

Sustainable compliance embraces agility as a core guiding principle. AI-Powered compliance automates routine activities and eliminates bottlenecks, allowing organizations to improve efficiency dramatically. With AI, organizations can channel their resources, creativity, and expertise toward broader strategic initiatives. Compliance professionals, once entrenched in administrative tasks, emerge as architects of growth, steering their organizations safely toward new horizons.

The ability to swiftly adapt the Risk and Compliance Framework (risks, policies, procedures and controls) to changes in the rulebook, international standards and best practices is the hallmark of organizations that are successfully embracing AI-powered compliance. Compliance becomes a force fostering resilience and adaptability in the face of an ever-changing landscape.

Compliance programs need not be a constraint but can become a catalyst for growth, agility, and ethical practices. As your organization embraces an AI strategy and journey, the contours of compliance are redrawn, and a new narrative unfolds—one where compliance is not a burden but a beacon illuminating the path toward sustainable success, redefined by innovation, proactivity, and ethical resilience.

## Navigating the Path – Strategic Advantage, Resilience and Continuous Improvement

AI is pushing the boundaries of what compliance and risk groups can achieve as teams strive to align contracts, policies, procedures and controls to regulatory and business obligations. Through data analysis, process mapping and deep insights, teams can focus their efforts on leveraging sustainable and practical tools to respond with agility to the compliance risks which will inevitably emerge as their markets and organizations evolve. AI can mean the difference between thriving in a world of change, meeting your business objectives, or becoming overwhelmed and ultimately, ineffective.

Email us at [contactus@4CRisk.ai](mailto:contactus@4CRisk.ai) to discuss the next steps on your journey



Best practices and ROI  
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