AI GOVERNANCE CHECKLIST

STRATEGIC ALIGNMENT

- [ ] Align AI use cases with business objectives and growth strategy.
- [ ] Embed AI governance into your ERM and compliance programs.
- [ ] Clarify ownership and accountability across AI initiatives.
- [ ] Ensure AI supports strategic goals, not just tactical wins.
- [ ] Involve cross-functional leadership early in governance design.
- [ ] Balance innovation goals with regulatory and brand risk exposure.

THIRD-PARTY GOVERNANCE

- [ ] Require clear audit rights in AI vendor contracts.
- [ ] Demand transparency in model logic, training data, and controls.
- [ ] Restrict use of your data for model training without approval.
- [ ] Mandate repeatability and explainability of outputs.
- [ ] Verify alignment with your risk framework and controls.
- [ ] Include change notification clauses and kill-switch provisions.

MODEL RISK MANAGEMENT

- [ ] Define your model risk taxonomy: low, medium, high.
- [ ] Apply governance intensity based on model risk tier.
- [ ] Ensure fair, ethical, and bias-tested model outputs.
- [ ] Validate models regularly for performance and drift.
- [ ] Implement explainability protocols at all levels.
- [ ] Maintain complete model lifecycle documentation.

REGULATORY COMPLIANCE

- [ ] Monitor evolving federal, state, and global regulations.
- [ ] Build a common control framework (NIST, NAIC, EU AI Act).
- [ ] Participate in sandbox and regulator engagement opportunities.
- [ ] Develop consumer disclosure protocols by jurisdiction.
- [ ] Align AI practices with existing model governance standards.
- [ ] Retire AI models with formal procedures and traceability.

VENDOR DUE DILIGENCE

- [ ] Integrate AI-specific controls into vendor onboarding.
- [ ] Expand questionnaires to include AI design and validation.
- [ ] Use existing procurement platforms to manage evaluations.
- [ ] Assess vendor explainability tools and testing capacity.
- [ ] Assign qualified internal reviewers to evaluate risk.
- [ ] Document risk acceptances and rationale for high-risk tools.

AUDITABILITY & EXPLAINABILITY

- [ ] Capture prediction-level logs for AI decision trails.
- [ ] Track which inputs led to which outputs across time.
- [ ] Require vendors to demonstrate explainability tooling (e.g. SHAP, LIME).
- [ ] Build separate views for regulators, internal auditors, and consumers.
- [ ] Create documentation that supports both business and technical users.
- [ ] Include explainability as a go/no-go gate in deployment process.

INTEGRATION & SYSTEM DESIGN

- [ ] Align AI initiatives with IT architecture and data governance.
- [ ] Ensure outputs can be integrated into core platforms.
- [ ] Require version control and rollback functionality.
- [ ] Design workflows with human-in-the-loop (HITL) oversight.
- [ ] Support reproducibility through rigorous release testing.
- [ ] Prioritize scalable monitoring systems for drift and anomalies.

BOARD & EXECUTIVE ENGAGEMENT

- [ ] Frame AI strategy in terms of enterprise value and trust.
- [ ] Use non-technical language to convey risk and reward.
- [ ] Highlight how governance supports innovation and speed.
- [ ] Report on emerging threats and proposed mitigation.
- [ ] Secure board-level sponsorship for governance initiatives.
- [ ] Include AI governance in quarterly risk reviews.

PERFORMANCE & VALUE TRACKING

- [ ] Define KPIs for AI model performance and risk.
- [ ] Monitor model behavior and business impact over time.
- [ ] Link AI governance maturity to operational efficiency.
- [ ] Evaluate ROI of governance frameworks and tooling.
- [ ] Track vendor performance and policy adherence.
- [ ] Continually evolve governance to support innovation at scale.