

AI GOVERNANCE – FROM AI AMBITION TO BOARD ACTION

WEBINAR – KEY TAKEAWAYS

AT A GLANCE

1. **Think beyond efficiency:** Challenge management on what AI could fundamentally change about the business.
2. **Don't let quick wins dominate:** Make room for long-term investments in data, technology and future competitiveness.
3. **Know where the real risks lie:** Focus oversight on critical decisions, interconnected risks and automation bias.
4. **Question what efficiency may cost:** Consider technology dependencies, resilience and the potential erosion of human skills.
5. **Look beyond AI's impact on jobs:** Consider whether it will strengthen or erode critical human skills.
6. **Lead by example:** Keep learning and use AI to challenge assumptions, not outsource judgement.

AI is reshaping how boards approach strategy, long-term value creation, risk, talent and their own effectiveness. Decisions taken today may have consequences that only become clear in five to ten years.

Building on Accountancy Europe and ecoDa's [*AI governance: ten principles for effective board oversight*](#), the [webinar](#) brought these challenges to life through practical insights and experiences.

Here are seven key takeaways from the discussion.

1. BOARD COMPETENCY: THE ABILITY TO CHALLENGE MATTERS MORE THAN TECHNICAL EXPERTISE

The challenge is not to turn every director into an AI expert, but to ensure that board members have sufficient technological understanding to constructively challenge management and exercise credible oversight. Most importantly, they should be open to learning.

- **Develop AI competence across the whole board:** Relying on technology experts is not enough and the wider board may disengage when technical issues arise.
- **Make continuous learning a board expectation:** The chair plays a critical role in establishing a learning culture. Curiosity and willingness to learn are becoming increasingly important board competencies, rather than relying solely on previous experience or occasional training.
- **Bridge the gap between technology and governance:** To engage meaningfully, board members need sufficient technological understanding, while technology experts must

understand the board's role, responsibilities and concerns. Both sides need to speak the same language.

- **Strengthening board capabilities also means expanding the remit of board committees** and making the board's ways of working more agile and responsive to rapid developments in AI.
- **Challenge established ways of doing business:** Directors should challenge management to think differently about the business and question existing constraints – for example, how AI could reduce the cost of sales, expand market reach or shorten R&D cycles.

The practical test: Can board members ask sufficiently good questions to challenge management on how AI could change the company's business model, strategy, risks and workforce and how governance structures may need to adapt?

2. STRATEGY: MOVE BEYOND PRODUCTIVITY GAINS AND INDIVIDUAL USE CASES

Much of the current attention is on AI-driven productivity and operational efficiencies. Boards need to broaden the conversation to what AI makes possible that was previously impossible or economically unviable.

- **Challenge management's level of ambition:** Is the company simply optimising existing processes, or reimagining what AI could make possible that was previously too expensive or not feasible – including new products, services and business models?
- **Frame AI decisions in business terms:** What are the expected implications for costs, revenues, competitiveness and operational performance? The discussion should not be dominated by technical terminology.
- **Make room for foundational investments:** Many companies will need to make significant investments in data and IT infrastructure that may only pay off much later. Boards should ensure that management does not focus solely on short-term AI use cases, but also keeps an eye on the bigger picture.
- **Think in terms of investment portfolios and organisational agility,** rather than evaluating AI initiatives only in isolation.

Practical warning sign: If AI is presented to the board exclusively by the CIO or head of IT, without business leadership driving the discussion, this may indicate a lack of maturity in the organisation's approach to AI.

3. GOVERNANCE AND RISK OVERSIGHT: AVOID FRAGMENTED OVERSIGHT OF INTERCONNECTED RISKS

AI risks cut across traditional governance boundaries. They include financial and business risks, cybersecurity, data leakage, discrimination, bias, regulatory non-compliance, reputational damage and geopolitical exposure.

- **Take a cross-functional view:** AI risks can be interconnected and compound one another. Different board committees and business functions need to coordinate rather than address risks in isolation.

- **Establish organisation-wide oversight and guardrails:** This may be particularly challenging in decentralised organisations with limited collaboration across functions.
- **Focus on critical decisions:** Boards need to understand where the most critical AI-related decisions are made and define their risk appetite accordingly. For example, the acceptable level of accuracy risk may differ between financial and marketing decisions.
- **Address automation bias and cognitive surrender:** People may become overly reliant on AI-generated recommendations, accepting them without sufficient critical assessment and effectively surrendering their judgement. Boards need to consider this risk, particularly when making critical decisions.

4. TECHNOLOGY INFRASTRUCTURE: TRANSLATE TECHNICAL DECISIONS INTO STRATEGIC TRADE-OFFS

Some of the most consequential AI decisions concern technology providers, infrastructure and dependency. These can become so technically detailed that boards struggle to engage. The challenge is to bring these decisions to the right strategic level.

- **Focus on strategic trade-offs:** Boards should consider choices around price, quality, speed, resilience and dependence on technology providers, rather than getting drawn into technical details.
- **Question long-term reliance on technology partners:** Can the company depend on its chosen providers indefinitely? What happens if that relationship becomes problematic?
- **Balance efficiency with resilience and flexibility:** Major technology providers may offer advantages in price, quality and speed, but boards should avoid locking into fixed solutions and prioritise flexible infrastructure that can adapt to change while managing long-term dependencies.

Practical test: Can management explain its major AI technology choices in terms of strategic trade-offs, including what the company gains today and the dependencies or resilience risks it may face tomorrow?

5. TALENT STRATEGY: THE IMPACT ON HUMAN CAPABILITIES MAY MATTER MORE THAN JOB LOSSES

Beyond the potential impact on jobs, boards need to consider how AI will reshape human skills and capabilities – and ensure that greater efficiency does not come at the expense of critical thinking, creativity and independent judgement.

- **Consider both jobs and competencies:** AI will affect workforce structures, but also how employees learn, think and exercise judgement.
- **Recognise that AI can strengthen or weaken human capabilities:** It can encourage people to outsource their thinking, but it can also help them learn, challenge themselves and develop new perspectives.

Practical test: Is the company's AI talent strategy focused only on productivity and workforce efficiencies, or also on developing and preserving the human capabilities it will need in ten years?

6. ACCOUNTABILITY AND TRANSPARENCY: EXPLAIN HOW AI IS BEING GOVERNED

Investors and regulators are increasingly asking companies to explain how they approach AI, particularly in relation to strategy, governance and risk management.

- **Respond to stakeholder expectations:** Consider what investors, regulators and other stakeholders need to understand about the company's approach to AI.
- **Decide what to communicate:** Boards should consider how the company explains its AI strategy, governance, risk management and competencies.
- **Move from intentions to delivery:** Communicate not only AI ambitions, but also what the company is actually doing to implement them.

7. BOARDS' OWN USE OF AI: STRENGTHEN JUDGEMENT, NOT REPLACE IT

Boards should lead by example in adopting AI, while respecting appropriate security guardrails. They should explore how AI can enhance their effectiveness without compromising independent thinking and judgement.

- **Go beyond summarising board materials:** While AI can save time, relying on summaries risks encouraging groupthink and undermining the independent thinking expected of directors.
- **Discuss the broader governance implications:** Boards should consider how AI use in their own work affects governance practices and what arrangements or safeguards may be needed.
- **Use AI to challenge and test information:** Directors can use AI to examine board materials from different perspectives – for example, assessing how customer-centricity is reflected or how a private equity investor might view the business.

Practical test: Is board members' use of AI openly discussed and agreed upon by the board?