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AI Risk & Governance

Trusted Governance to Accelerate Transformative AI Adoption

Strategy, Risk & Transaction
Enterprise Risk
September 2026

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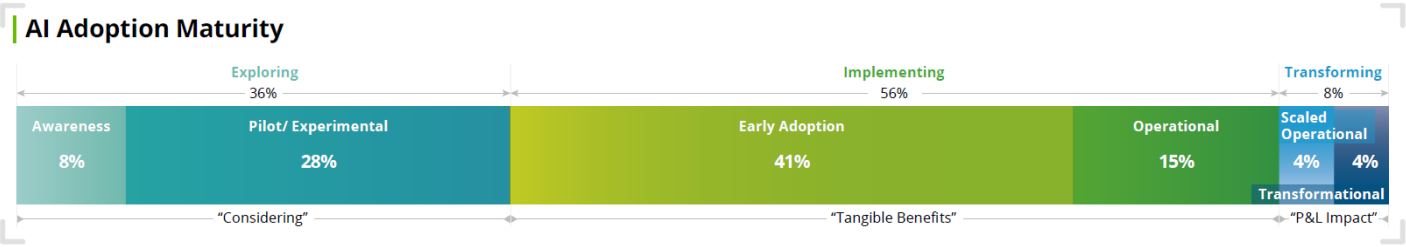
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Strategic Governance of AI

A roadmap for the future

In the rapidly evolving landscape of AI, organizations are increasingly leveraging AI technologies to drive innovation, enhance operational efficiency, and deliver value to stakeholders. However, AI's transformative potential also brings significant challenges, including ethical considerations, data privacy concerns, and the potential for unintended consequences. To prepare organizations for a bold and successful future with AI, we need to better understand the nature and scale of the risks, as well as the governance tactics that can help mitigate them.

Deloitte China and the Centre for AI, Management and Organization at the University of Hong Kong (HKU) have jointly established the "Deloitte-HKU Lab for Organizational Transformation" to unveil findings from a survey of more than 100 C-suite executives that AI adoption is now nearly universal among businesses, 69% of organizations are experimenting with or scaling limited pilots, only 23% have achieved operational deployments with measurable financial impact. Just 4% describe themselves as fully transformational, embedding AI across the business.



Source: ***HKU and Deloitte China AI Adoption Index 2026 –*** *Enterprise AI Adoption in China: The Paradox of Promise and Performance*

The board and senior management of organizations should oversee the AI adoption and its related opportunities and risks, and to formulate the overall AI strategy on the following:

Vision and mission

Define and uphold the organization's vision and mission statements, confirming they align with the strategic goals of the organization and the potential of AI.

Strategic planning

Uphold an iterative process of monitoring management's implementation of the AI strategic plan, identifying core business processes (e.g., revenue cycle) that will be most affected by AI.

Stakeholder engagement

Maintain transparent communication and engagement with shareholders, employees, customers, and other stakeholders regarding the use and governance of AI.

Resource / capital allocation

Understand how resources and capital are allocated to support strategic initiatives, including AI driven growth strategies.

Pace of adoption

Evaluate if the planned pace of adoption balances innovation with risk management while aligning with the organization's overall strategic goals.

Performance metrics

Understand KPIs to measure progress toward strategic goals and adjust strategies as needed.

Third-party vendor tracking and monitoring

Understand if the enterprise will use third-party vendors and, if so, the extent of their involvement.

Market analysis

Stay informed about market trends, the competitive landscape, and emerging opportunities and threats in AI to guide strategic decision-making.



AI Risk Intelligence

Organizations should establish risk management mechanism to help organizations response to AI risks and opportunities:

Risk appetite and tolerance

Define the organization's risk appetite and tolerance levels, confirming they align with strategic objectives and the potential risks of AI. The board should have a comprehensive understanding of how management fulfills the following:

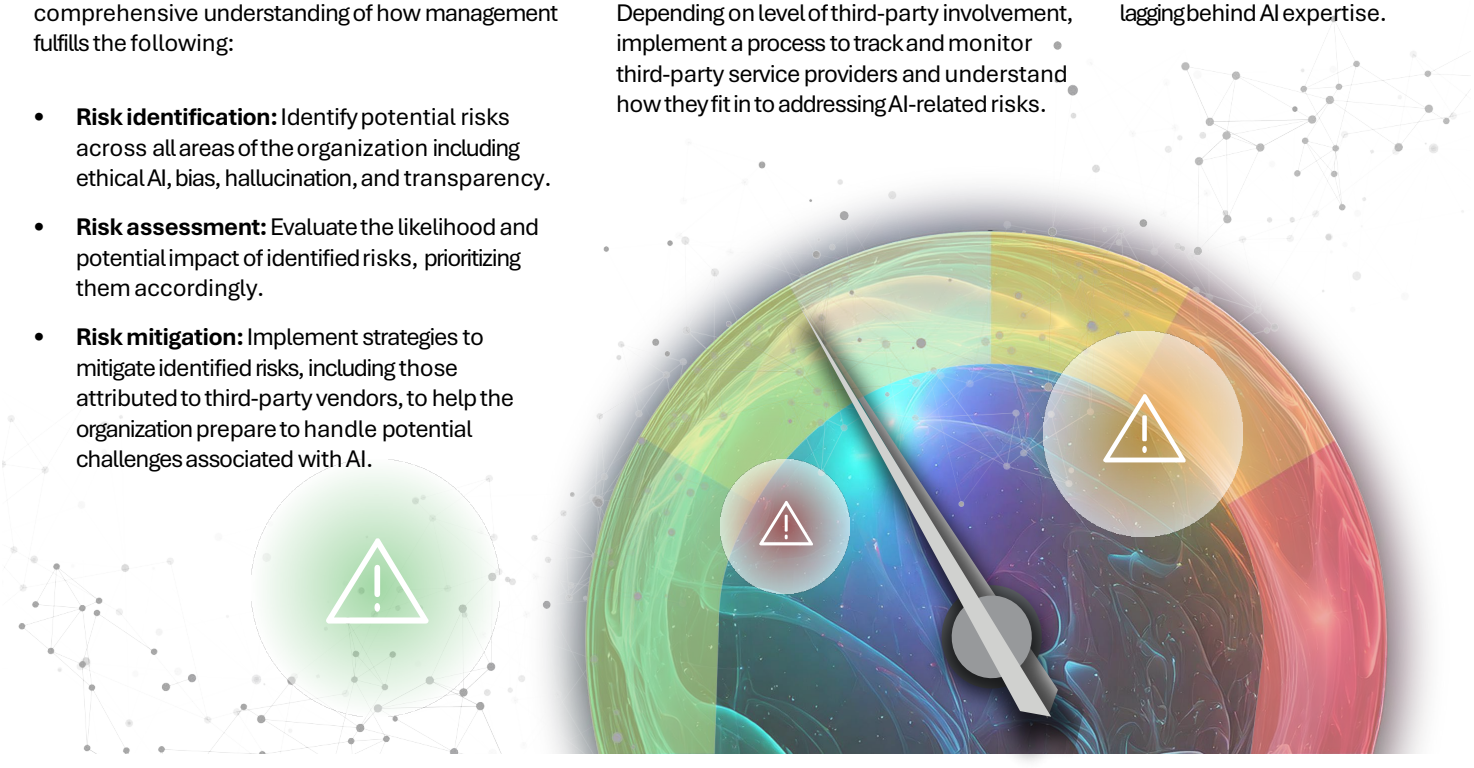
- **Risk identification:** Identify potential risks across all areas of the organization including ethical AI, bias, hallucination, and transparency.
- **Risk assessment:** Evaluate the likelihood and potential impact of identified risks, prioritizing them accordingly.
- **Risk mitigation:** Implement strategies to mitigate identified risks, including those attributed to third-party vendors, to help the organization prepare to handle potential challenges associated with AI.

Monitoring and reporting

Management should monitor risks and report on risk management activities to the board, promoting transparency and accountability. Depending on level of third-party involvement, implement a process to track and monitor third-party service providers and understand how they fit in to addressing AI-related risks.

Risks of inaction

Management should assess the risks associated with not implementing AI and the costs of lagging behind AI expertise.



Start the conversation

If you are interested in learning more about how our AI risk management services can help to achieve greater enterprise value and better corporate governance through effective strategic governance of AI, please contact any of the following team members:



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