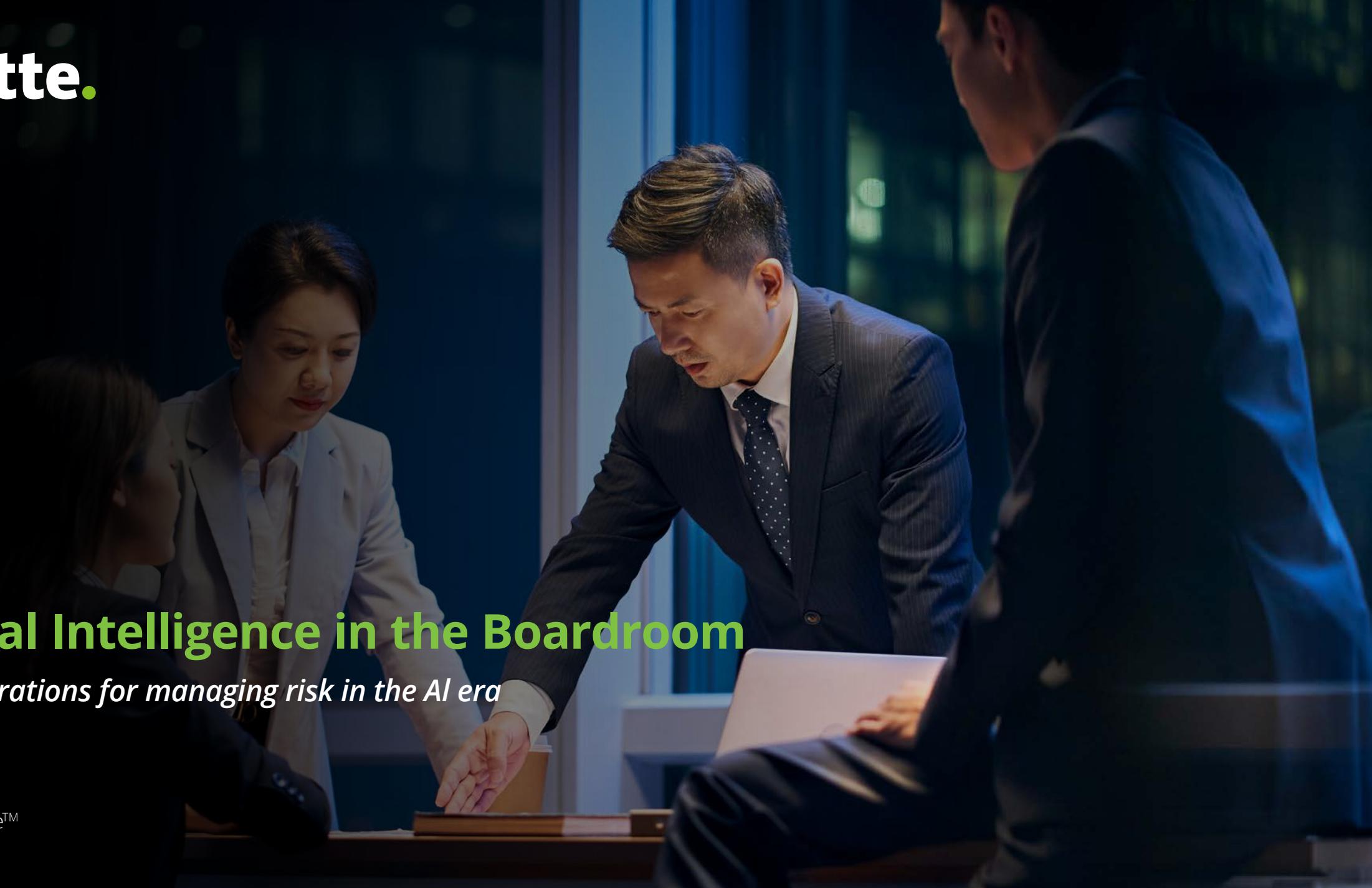


Artificial Intelligence in the Boardroom

Five considerations for managing risk in the AI era

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Deloitte AI Institute™

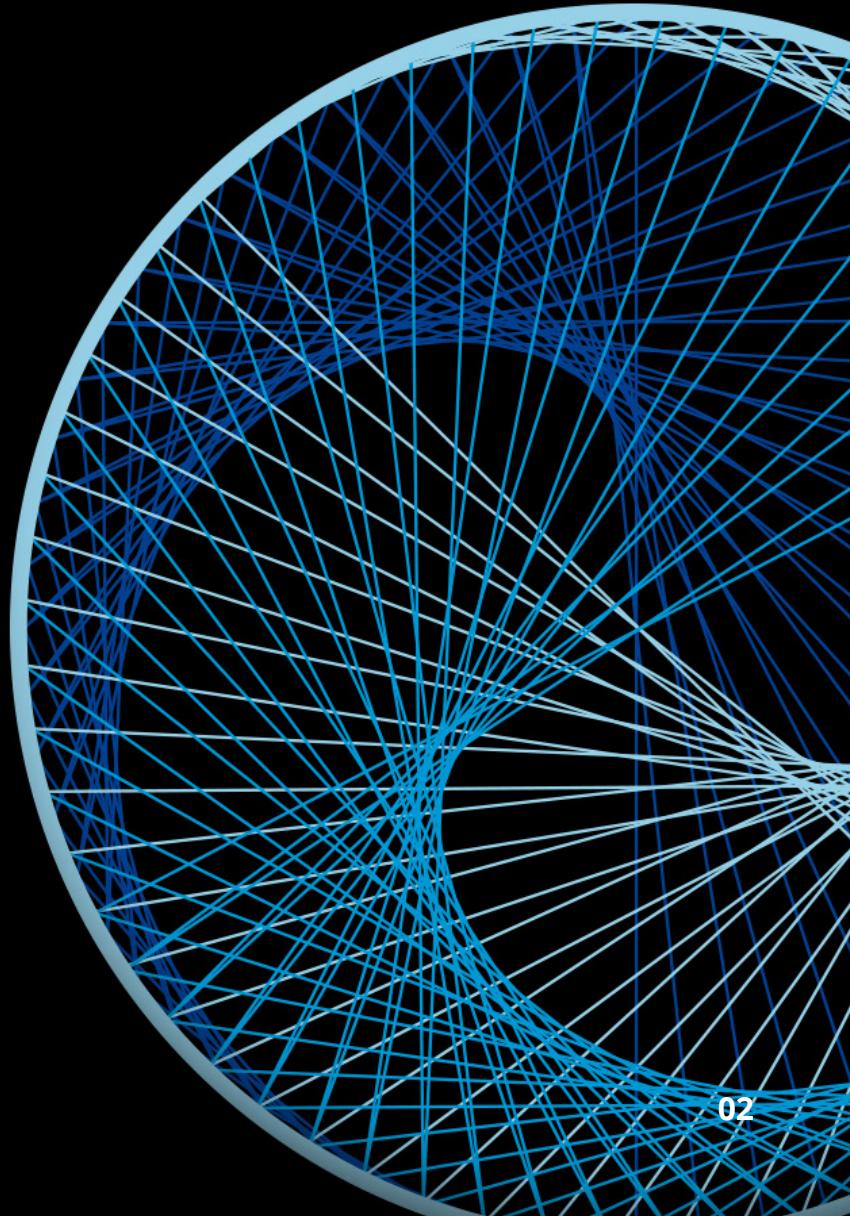


About the Deloitte AI Institute™

The Deloitte AI Institute helps organizations connect the different dimensions of a robust, highly dynamic and rapidly evolving AI ecosystem. The AI Institute leads conversations on applied AI innovation across industries, with cutting-edge insights, to promote human-machine collaboration in the "Age of With".

The Deloitte AI Institute aims to promote a dialogue and development of artificial intelligence, stimulate innovation, and examine challenges to AI implementation and ways to address them. The AI Institute collaborates with an ecosystem composed of academic research groups, start-ups, entrepreneurs, innovators, mature AI product leaders, and AI visionaries, to explore key areas of artificial intelligence including risks, policies, ethics, future of work and talent, and applied AI use cases. Combined with Deloitte's deep knowledge and experience in artificial intelligence applications, the Institute helps make sense of this complex ecosystem, and as a result, deliver impactful perspectives to help organizations succeed by making informed AI decisions.

No matter what stage of the AI journey you're in; whether you're a board member or a C-Suite leader driving strategy for your organization, or a hands on data scientist, bringing an AI strategy to life, the Deloitte AI institute can help you learn more about how enterprises across the world are leveraging AI for a competitive advantage. Visit us at the Deloitte AI Institute for a full body of our work, subscribe to our podcasts and newsletter, and join us at our meet ups and live events. Let's explore the future of AI together.



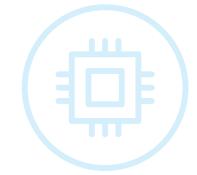


Artificial intelligence (AI) types and applications are proliferating across industries, from machine learning and Generative AI to agentic systems and physical AI. While the use cases have grown, so, too, have the risks AI creates. For boards, the AI era has exposed new challenges in governance and risk management. Most boards (72%) report having one or more committees responsible for risk oversight, and more than 80% have one or more risk management experts, according to a [Deloitte survey](#). For all the attention and investment in managing other kinds of business risk, AI demands the same treatment.

AI security risks can compromise sensitive data, biased outputs can raise compliance problems, and irresponsible deployment of AI systems can have cross-cutting ramifications for the enterprise, consumers, and society at large. Given the impact, boards can serve a vital role in helping the organization address AI risks.

Here are five things board members can do to prepare for the future with AI.

- 1 **Build the board's AI literacy**
- 2 **Promote AI fluency in the C-suite**
- 3 **Consider recruiting board members with AI experience**
- 4 **Orienting the board for the future**
- 5 **Guide the organization as AI matures**



1

Build the board's AI literacy

Being an advocate and guide for AI risk management means, in part, asking the right questions. This necessitates AI literacy. To take part in AI risk management, board members can build AI literacy through traditional methods, such as bringing in speakers and subject matter experts and pursuing independent learning through classes, lectures, and reading. A large language model (LLM) could also help in this regard, as an LLM-enabled application can summarize and help explain, in natural language, the complexities of how AI works, its limits, and its capabilities.





2

Promote AI fluency in the C-suite

If AI literacy in the boardroom is important, fluency in the C-suite is even more so. Board members are in a position to urge executives to build their AI fluency. As the power and allure of AI grows and use cases multiply, business leaders need knowledge and familiarity with the technology to responsibly shape AI programs. Decisions around AI safety, security, accountability, and all the factors that impact AI risk management flow out of a baseline understanding of what AI is and what it can do. As stewards of the enterprise, board members can encourage the AI fluency that is more important than it has ever been.



3

Consider recruiting board members with AI experience

Board members often hail from fields steeped in finance and business management. This background allows them to be informed leaders on fiscal and competitiveness issues. Given that AI is a technical and complex field raising its own collection of hurdles and risks, boards may look to expand their in-house subject matter expertise by recruiting an AI professional to the board. Such a person should bring experience as an operational AI leader with a track record of implementing successful AI projects in similar organizations. A professional with operational AI experience can provide the insight boards need for oversight and governance.





4

Orienting the board for the future

Governance is not an ad hoc exercise, and boards face the need to implement controls to guide the responsible use of AI. Boards may stand up subcommittees to oversee vital enterprise activities, such as for audits, succession planning, and risk management related to finance and operations. AI governance can be supported with a similar tactic.

The lexicon, capabilities, risks, and trajectory of AI are all in flux as the technology matures. A subcommittee or dedicated group is positioned to remain focused and informed on this complex, fast-changing technology. Boards could also extend existing subcommittees' mandates to include AI components. For example, the audit committee could include planning for algorithmic auditing.



5

Guide the organization as AI matures

Given their role, board members are not directly working with AI, but they are important stakeholders with essential responsibilities. As enterprise leadership and lines of business explore how AI can be a productivity enhancer and innovation driver, the board can take a higher-level, big-picture view of AI programs and focus on guiding the enterprise in the responsible deployment and management of AI. In this, it is helpful to leverage a framework for assessing risk and how it impacts compliance and governance (e.g., [Deloitte's Technology Trust Ethics framework](#)). It can help board members make clear-eyed evaluations and usher the organization toward the most valuable use of AI.





The AI landscape is changing quickly. As well as considering these steps, board members can turn to advisors who are already developing the tactics and standards for AI governance and oversight. While risk management is always a moving target, with literacy, professional experience, dedicated attention, and a vision for the future, boards can be better positioned to guide their organizations in this era of AI.

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