Center for Excellence in ERM
Fall 2023 Pre-ERM Summit Survey

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Starting the AI Journey

- More than 60% believe that their company’s journey regarding AI capabilities is either developing or emerging. This is in stark comparison to 9% of those who believe their company is leading.¹

¹The entirety of this survey is based on the 55 risk executives that attended the Fall 2023 ERM Summit.
Behind the Competition

• Very few believe they are ahead of the competition in assessing the downside and the upside of AI.
A Need for More Risk Assessment

- 36% believe they have spent enough time assessing the downside.
- 51% believe they have spent enough time assessing the upside.
Capabilities are Lacking

- 47% have developed the strategic vision for AI.
- 42% have built or bought the AI and technical core capabilities.
- Only 27% have changed the talent and culture.
- Only 24% have integrated risk management capabilities.
- 45% have adopted a responsible AI framework.
Top AI Risks

- The top 5 are:
  - Security
  - Privacy
  - Misinformation
  - Employee misuse of AI
  - Strategic - not having the right vision and strategy
Top ERM Concern

- The Top 5 ERM concerns with AI:
  - Governance of AI
  - Monitoring of AI risk
  - Assessing the AI risk
  - Identifying AI related risk
  - Linking AI risk to strategy
Key to Managing the Upside to AI

- 21% believe the key in managing the upside is identifying risk in business cases as early as possible.

- 16% believe the key is education and training to develop core expertise.
Risk Reduction

- Almost 60% believe that the proper deployment of AI can actually assist in the reduction of some risks.
Considering Risk

- Only 36% agree that risk is being properly considered as AI is being developed, tested, and deployed.

- In order to better understand the potential risks associated with AI, we should increase risk awareness and assessments.
Getting ERM Involved

● 53% agree that ERM is appropriately involved in the downside of risk.
● 33% agree that ERM is appropriately involved in the upside of risk.
● 36% agree that ERM is appropriately involved in the risk associated with the adoption & exploration of AI business cases.
Organizational Approach to AI

- 25% see AI as a stand-alone risk
- 25% see AI as an amplifier of other risks
- 14% use AI as a dimension when they assess the impact of other risks
Governance Preparedness is Lacking

- Only 34% of respondents agree that the current board risk oversight and governance process is adequately prepared to oversee AI risk.

- Board risk oversight and governance must increase their preparedness to oversee AI risk as current AI capabilities, usage, and opportunities are set to expand in the current business environment.
Who: Who in the organization do you anticipate will own AI risks?
Tool: The best tool or technique for assessing AI risk is ...

- Risk workshop department
- review of experts earlier
- AI Risk experts
- unknown at this time
- ERM Committee ERM tool
- ERM and TPRM governance AI ERM
- risk frameworks cases
- Subject matter process
- AI within the organization
KRI: A key risk indicator of AI risk is ...

- AI applications
- Cyber attacks
- Lack
- Review
- AI implementations
- Bias
- Service
- Accuracy
- Adoption
- Use
- Offerings
- AI models
- Number
- Chat GPT
- Use cases
- AI technology
- Unknown at this time
The board seems most concerned about...

- Regulatory Risk
- Misuse of AI
- Deep Impact of AI
- Edge of AI
- Privacy & Reputational Risk
- Cyber risk: downside risk
- Risk: impacts from AI
- Aspects of AI
- Concern: risk of AI
- Upside of AI
- Governance: understanding the risks
- Traditional IT risks
The C suite seems most concerned about ...

- appropriate governance
- governance for AI
- opportunities
- Misuse of AI governance
- AI for efficiency
- use of AI
- Efficiencies from AI
- Security
- AI fast impacts
- business opportunity or risk
- risk of AI
- upside of AI
- Strategic Risk
What AI risk mitigation actions have you already implemented/do you anticipate implementing?
ERM Opportunities with Gen AI

- Gen AI is largely agreed as being a beneficial ERM opportunity as it relates to:
  - Identifying risk
  - Benchmarking risk
  - Assessing risk
  - Forecasting risk
  - Finding common ground in risks

![ERM opportunities for adopting Gen AI are in ...](image)
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