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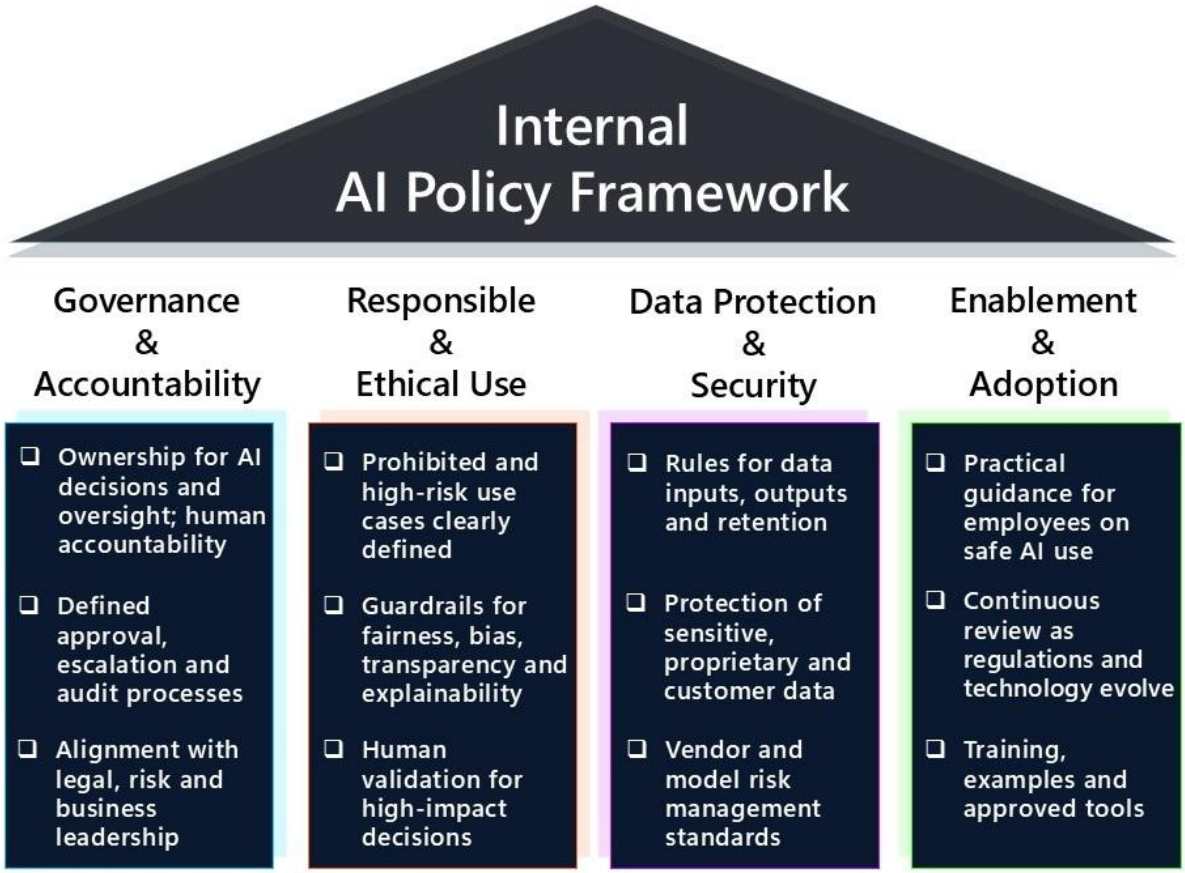
Drafting Internal AI Policy for Effective AI Governance

Do not allow your AI strategy to outpace your legal safeguards

AI systems integration may create legal and operational risks, including IP infringement, data protection violations, and regulatory non-compliance. These risks are becoming impossible to ignore while at the same time many organisations are operating on a presumption that existing internal policies cover new technologies.

The unique challenges of adopting AI systems require a targeted AI policy designed to support responsible and ethical use of AI. Organisations adopting AI tools should prioritise bridging the gap between rapid technological adoption and legal and governance safeguards. A carefully drafted Internal AI policy provides a structured and defensible foundation for responsible AI adoption. Adherence to such policy shall be mandatory and any violations shall be subject to the organisation's standard disciplinary procedures.



1. Governance & Accountability:

This is your first step. The policy's objectives should be clearly defined and aligned with business leadership. The scope, purpose, and intended outcomes of the policy shall be

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documented, including identification of relevant stakeholders and their respective roles and responsibilities.

Your AI policy should include a definition of an AI system and other relevant terms to ensure a coherent understanding of the terminology used within the organisation. The established definitions in the EU AI Act can be used while at the same time aim to provide real-life examples understandable for all employees, including examples of what is not an AI system.

Establish clear chains of responsibility and audit trails that would stand up to regulatory scrutiny. Aim at defining roles and responsibilities for adherence to the applicable law and other internal policies. Ensure human accountability for impact caused using AI technologies. All employees shall strictly adhere to the list of sanctioned tools and shall not use unsanctioned AI systems ("Shadow AI").

2. Responsible & Ethical Use:

The AI policy shall identify and prohibit practices that are not permitted under the EU AI Act or under the organisation's internal rules and corporate policies. AI use cases shall be assessed to determine whether they fall within high-risk categories, and appropriate safeguards and controls shall be implemented to mitigate risks relating to bias, fairness, and transparency.

Ethical guidelines shall be defined in your AI policy and supported by an individual set of principles aligned with your organisational values. The AI policy must ensure transparency and explainability of use of AI tools.

Ensure non-discriminatory AI systems and bias mitigation. Human oversight and validation of high-impact decisions shall be ensured.

3. Data Protection & Security:

Establish standards for data inputs, retention, and vendor management to safeguard proprietary and confidential information. Vendor due diligence shall be conducted where external AI systems or providers are used.

The AI systems shall be protected against external attacks. Adopt safety mechanisms which are appropriate for the specific risk profile and intended use and which apply throughout the AI system lifecycle. AI systems must operate reliably, perform consistently according to their intended purpose while minimizing risks and be regularly tested for misuse.

Conduct risk assessment and adopt strict adherence to data security regulations. Prioritise privacy and protection of personal data.

4. Enablement & Adoption:

Ensure your team's practical guidance is aligned with applicable regulations and case law in the field of AI, data protection and privacy.

Adopt a process for periodical review to ensure continued alignment with regulatory, technological and organisational developments.

Implementation guidance is key – provide appropriate training and awareness programmes. Translate the principles of your AI policy into real-life guidance to support safe and effective adoption across the organisation. Do not treat the AI policy as a documentation exercise but as a blueprint of your safe AI journey.

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