RM
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AI · TECHNOLOGY · GOVERNANCE

AI OVERSIGHT.
BOARD ACCOUNTABILITY.

EVIDENCE OVER ASSURANCE.
ACCOUNTABILITY OVER INTENTION.

BOARD BRIEFING REPORT
EUROPEAN BANKING & FINANCIAL MARKETS

MAY 2026

01 THE BOARD QUESTION

The question is no longer the tool. **It is the evidence chain.**

SCENARIO
AI-supported tools assist regulated processes — summarising information, preparing risk views, assessing controls or drafting rationales.

TRIGGER
Weeks later, the output is challenged by a client, auditor or supervisor.

THE BOARD QUESTION
Can we evidence oversight, ownership and human review for this output?

The issue is not only whether the tool made a mistake.

The issue is whether we can evidence **our governance.**

02 THREE ORIENTATING FACTS

AI USE IS NO LONGER MARGINAL

More than 85% of large banks under European supervision already use AI in some form. The question is no longer whether the institution uses AI — it is whether that use is governed.

EVIDENCE BEFORE MODEL DETAIL

The board does not need every model specification. It does need evidence that material AI use cases are owned, reviewed and controlled — producible on demand.

ANSWER QUALITY MATTERS

A strong answer is specific, current and evidenced. A weak answer remains anchored in policy statements or project status.

Source: ECB Banking Supervision, “Technology is neutral, governance is not”, February 2026.

03 ANSWER QUALITY CALIBRATION

Evidence status, not institutional quality.

	GREEN Decision-Grade	AMBER Partially Evidenced	RED Not Decision-Grade
	Current AI use-case inventory exists.	Inventory exists but is incomplete.	*"We have an AI policy."*
	Clear owner assigned per use case.	Ownership sits at project level only.	*"This sits with IT."*
	Oversight is defined and evidenced.	Oversight described, not evidenced.	*"The provider is responsible."*
	AI literacy is role-based and documented.	Training is generic, not role-based.	*"Training has been completed."*
	Exceptions and overrides are monitored.	Monitoring exists, reporting fragmented.	*"No incident has happened so far."*
	Reporting shows risk, value and control evidence.	Board receives status, not evidence.	*"It is only a copilot."*

GREEN is not a policy status. GREEN is an evidence status.

04 WHO SHOULD ANSWER

Technology may own the platform. **The business owns the decision impact.**

CIO / CTO	Platform architecture, data flow and technical control. Owns the deployment environment.
Business Owner	Decision impact, process effect and output validation. Owns the use case and its consequences.
CRO / Compliance / Legal	Risk, regulatory obligation and data protection. Translates model behaviour into compliance standing.
CISO / Third-Party Risk	Security, provider dependencies and operational resilience. Owns externally introduced risk.
Internal Audit	Independent review of the evidence chain. Confirms controls exist and documentation withstands scrutiny.

05 EVIDENCE THE BOARD SHOULD REQUEST

Ten artefacts that make an answer verifiable.

01 **AI Use-Case Inventory**
Where AI is used — functions, processes, deployment status.

02 **Risk Classification**
Which use cases are material and require enhanced oversight.

03 **Ownership Map**
Who is accountable — by name and function, not by layer.

04 **Data Classification**
What data AI may touch — permitted use and lineage.

05 **Human Oversight Design**
Where human judgement intervenes — gates, review, override.

06 **AI Literacy Evidence**
Role-specific competence, not completion certificates.

07 **Exception & Override Log**
Whether issues are visible — overrides, escalations, incidents.

08 **Third-Party Dependency Map**
Provider reliance, concentration risk, exit capability.

09 **Board Reporting Dashboard**
What the board receives — timely, structured, sufficient.

10 **Decision Rights / Lifecycle Log**
Who can scale, restrict, retrain or retire each use case.

06

GOVERNANCE CHECK

Warning signals.

	"We have an AI policy."	A policy sets intent. It does not evidence that it is implemented, monitored or enforced at use-case level.
	"This is managed by IT."	Technology owns the platform. The business owns the decision impact. Single-function accountability is insufficient.
	"The provider is responsible."	Contractual liability may sit with a vendor. Supervisory accountability for the output remains with the institution.
	"It is only a copilot."	If the output influences a regulated decision, the label does not reduce the obligation. Framing is not a control.
	"No incident has happened so far."	Absence of a recorded incident is not evidence of control. Near-misses are the leading indicator.

07

THE BOARD’S SIX NON-NEGOTIABLES

A decision-grade answer must cover all six.

Accountability

Clear ownership for decisions and outcomes.

Oversight

Human review designed and evidenced.

Transparency

Explainable use, limitations and communication.

Data Discipline

Purpose, quality, access and protection.

Monitoring

Performance, drift, exceptions and outcomes.

Evidence

Producible, current and audit-ready.

08 THE TAKEAWAY

Assurance is not a substitute for evidence. Governance is not a substitute for oversight.

The board is accountable for what the institution decides — and for how that decision is reached, evidenced and defensible.