Welcome to today's webinar:

Steering Clear of the Pitfalls
Essential Data Governance Strategies for Effective AI Compliance

Speaker:
Michael Rasmussen
GRC 20/20

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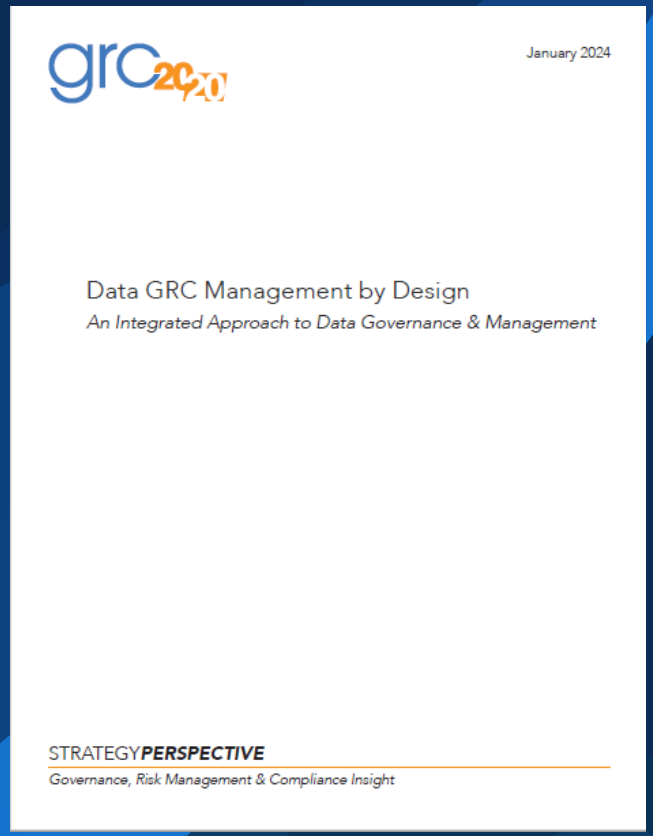
New Whitepaper:

Data GRC Management by Design

An Integrated Approach to Data Governance & Management



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About Archive360

Archive360 is a governance software company that helps organizations address the costs and risks of managing data and optimize its value. Archive360 helps large organizations securely scale application decommissioning, data retirement and data governance across enterprise systems, so they can meet their compliance obligations, reduce IT costs, improve AI models, and can make faster, better informed business decisions.

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Today's Speaker:

Michael Rasmussen, The GRC Pundit, GRC 20/20

Michael Rasmussen is an internationally recognized pundit on governance, risk management, and compliance (GRC) – with specific expertise on the topics of enterprise GRC, GRC technology, corporate compliance, and policy management. With 30+ years of experience, Michael helps organizations improve GRC processes, design and implement GRC architecture, and select technologies that are effective, efficient, and agile. He is a sought-after keynote speaker, author, and advisor and is noted as the "Father of GRC" — being the first to define and model the GRC market in February 2002 while at Forrester.

To learn more about GRC 20/20 and read Michael's full bio...visit www.grc2020.com

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2024-06

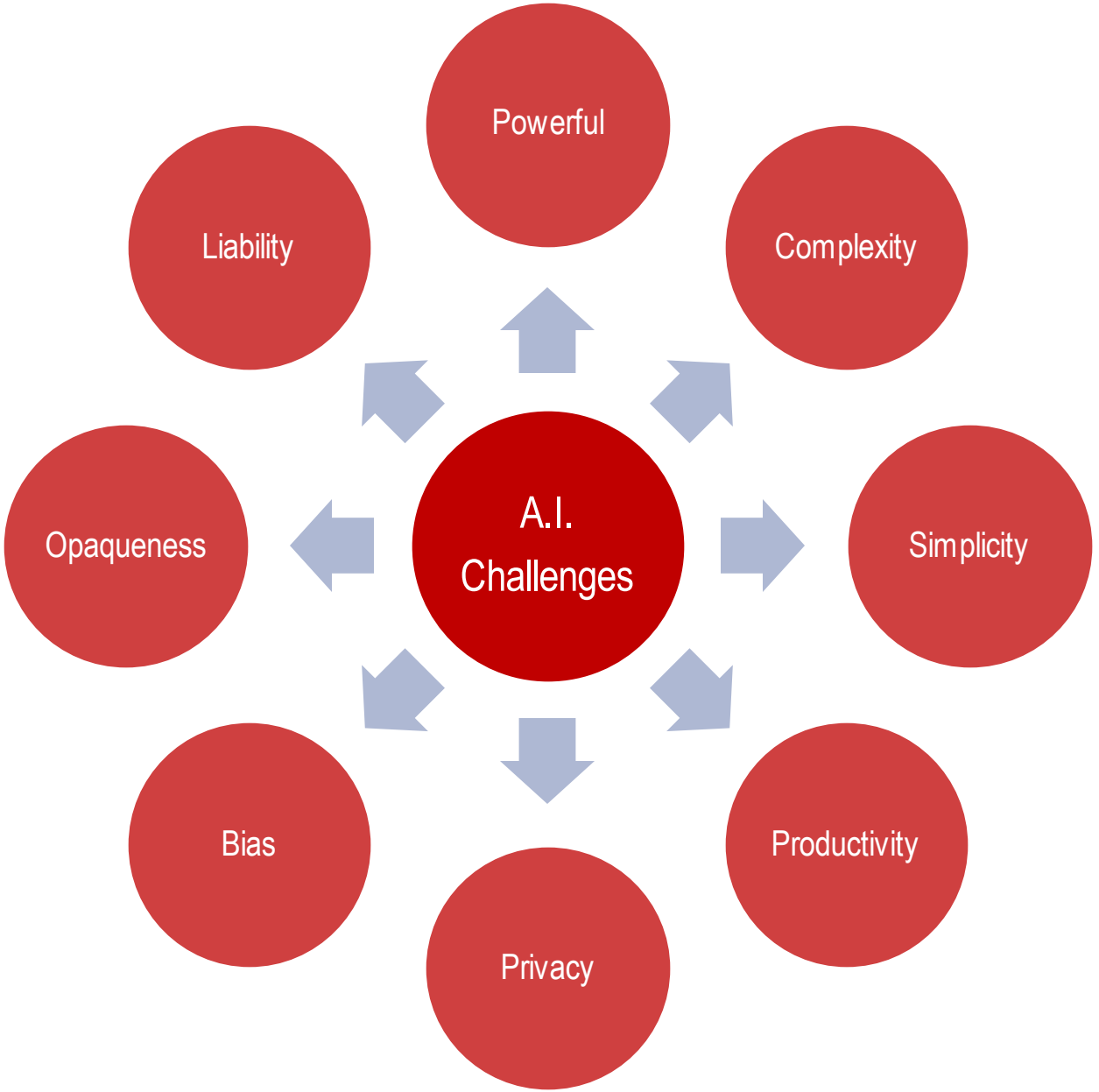
Steering Clear of the Pitfalls

Essential Data Governance Strategies for Effective AI Compliance

PRESENTATION

Governance, Risk Management & Compliance Insight

Challenges (and Opportunities) with A.I. Use



Data Risks in the Modern Organization

Data Risks . . .

Structured Data Risks

Data Breaches
Data Corruption
Data Reliability

Unstructured Data Risks

Data Leakage
Compliance Issues

Communication & Messaging Data Risks

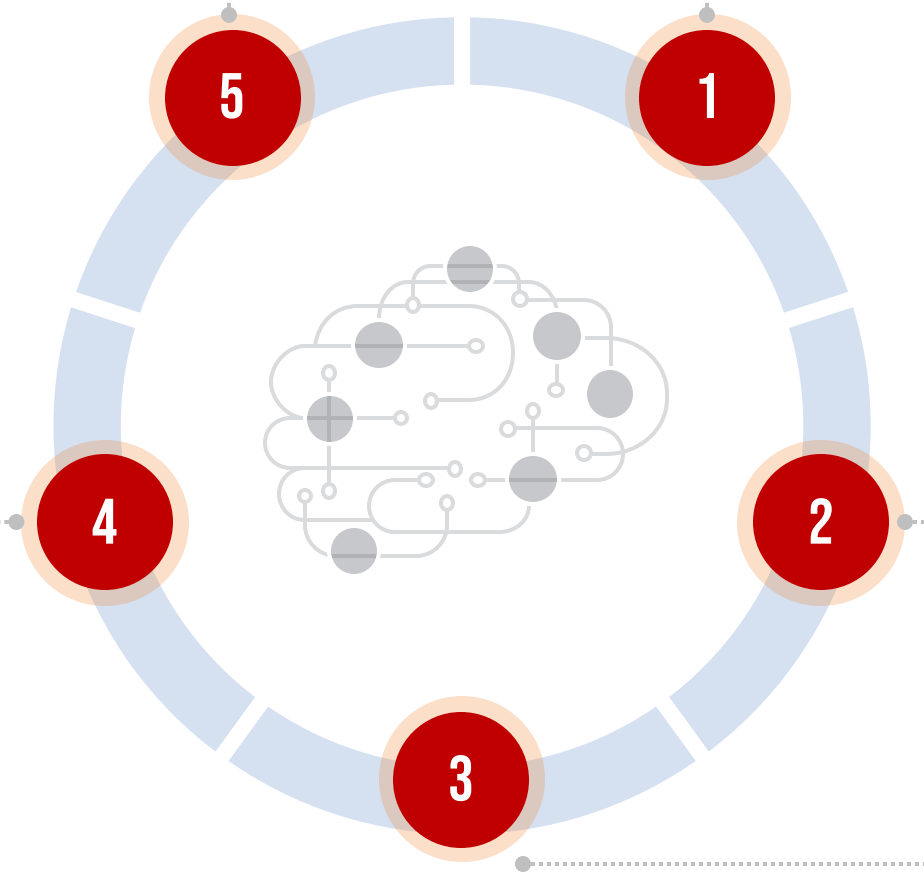
Eavesdropping/Interception Risks
Compliance Violations

A.I. Data Risks

Bias in Decision Making
Data Privacy Violations

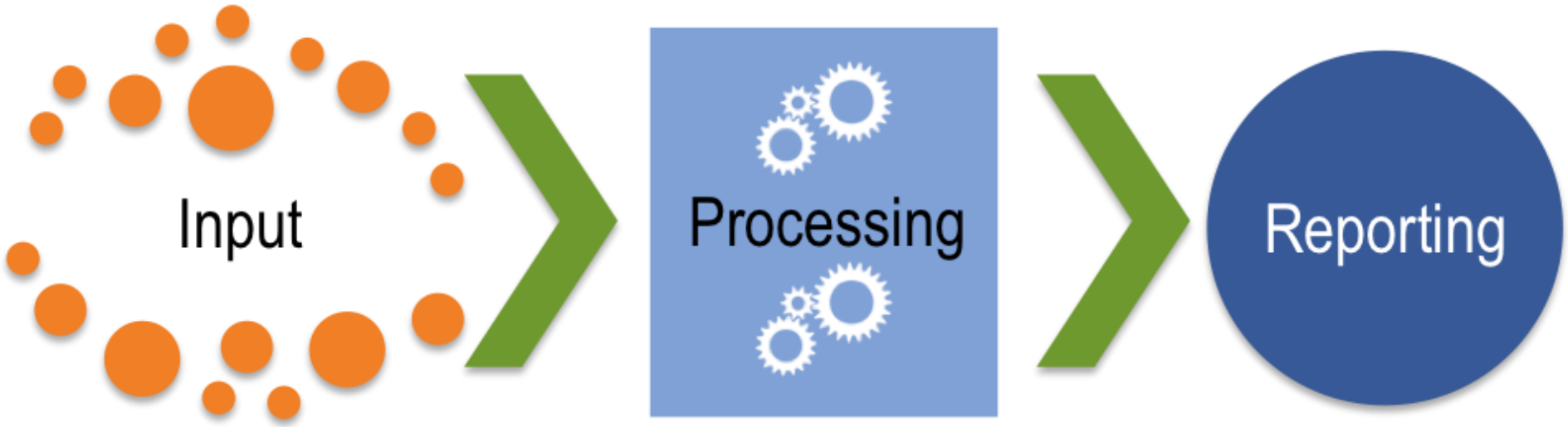
Other Data GRC Risks

Inadequate Data Governance Policies
Third-Party Data Governance
Non-Compliance with Evolving Regulations



> The more we study the major problems of our time, the more we come to realise that they cannot be understood in isolation. They are systemic problems, which means that they are interconnected and interdependent.
>
> - Physicist Fritjof Capra

Components of an A.I. Model

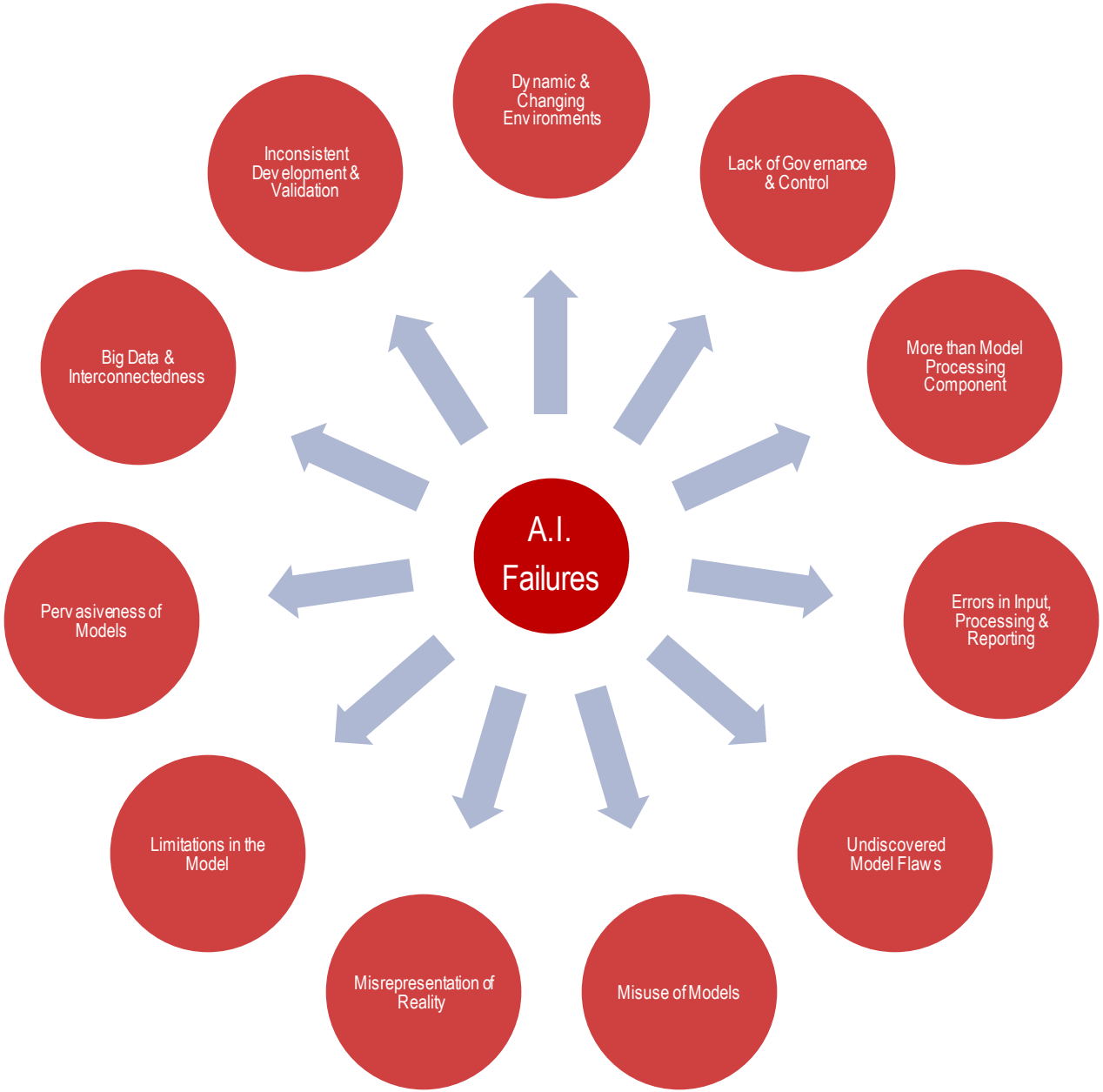


The Core Components that Make a Model

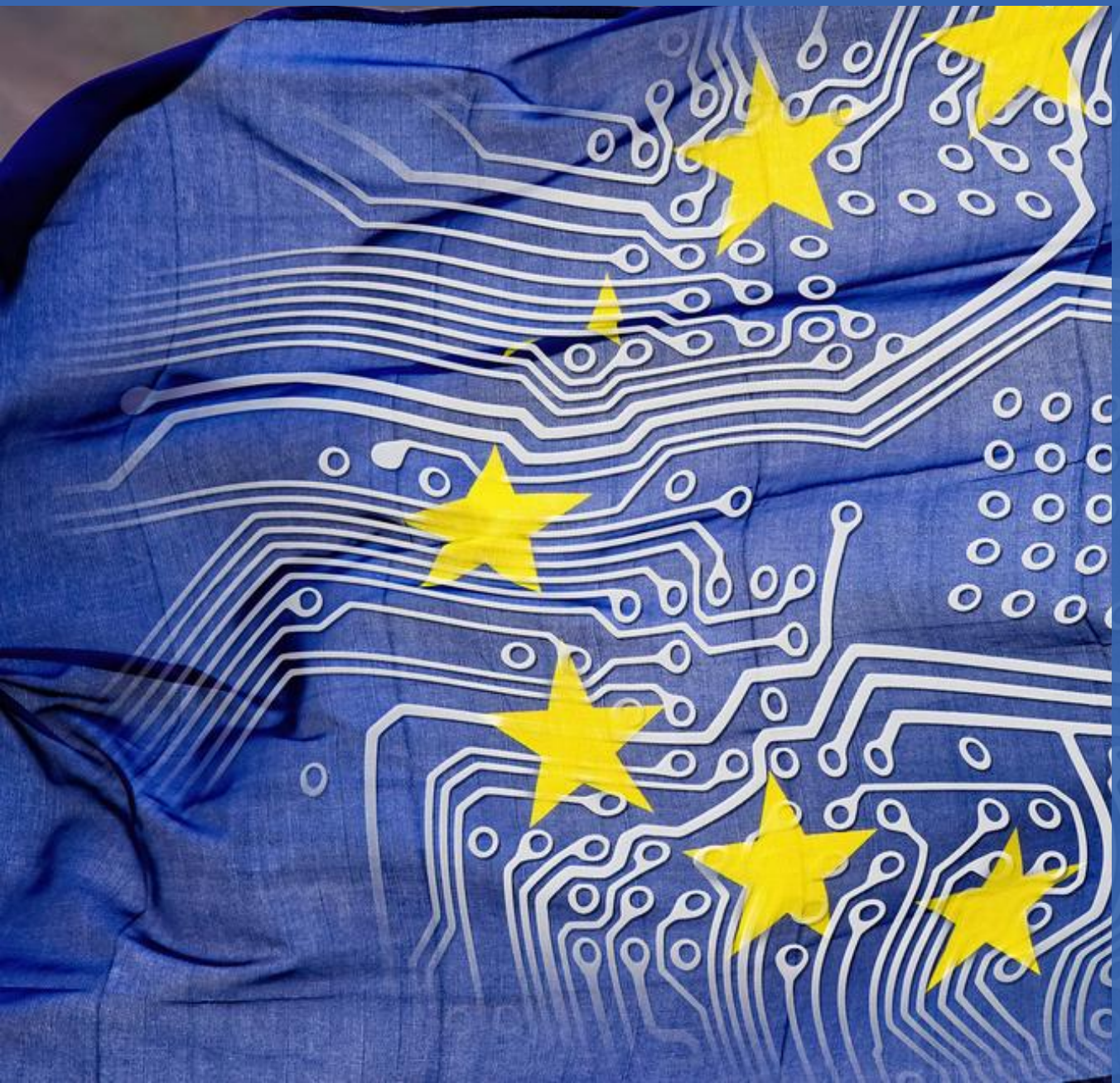
There are three core components to a model:

1. **Input Component.** Delivers assumptions and data to a model.
2. **Processing Component.** Transforms inputs into estimates.
3. **Reporting Component.** Translates the estimates into useful business information.

When A.I. Fails



Growing Regulatory A.I. Focus that Includes Data Governance



Navigating the regulatory landscape requires staying updated on laws such as the EU AI Act, which mandates transparency and accountability in AI.

Sector-level regulations in the US also impose varying requirements that organizations must comply with.

Strategies include regular audits, updating privacy policies, and ensuring data processing activities meet legal standards.

Responsible Use of A.I.

- ✓ ***Ensure A.I. systems comply with evolving laws and regulations*** helps prevent legal issues, financial penalties, and damage to reputation.
- ✓ ***Manage uncertainty and risk*** when A.I. can have unintended consequences, including biased decisions or privacy breaches. Effective risk management helps identify and mitigate these risks.
- ✓ ***Meet ethical standards,*** ensuring A.I. is used fairly and doesn't perpetuate harmful biases.
- ✓ ***Deliver trust and transparency*** where A.I. GRC practices help organizations demonstrate that their A.I. systems are trustworthy and transparent, essential for customer and stakeholder confidence.
- ✓ ***Provide strategic business alignment*** where strong A.I. GRC ensures that A.I. usage aligns with an organization's broader strategic goals and doesn't deviate into potentially harmful or unproductive areas.
- ✓ ***Enable agility*** as the A.I. landscape is rapidly changing, A.I. GRC practices help organizations be ready for potential future regulatory changes.

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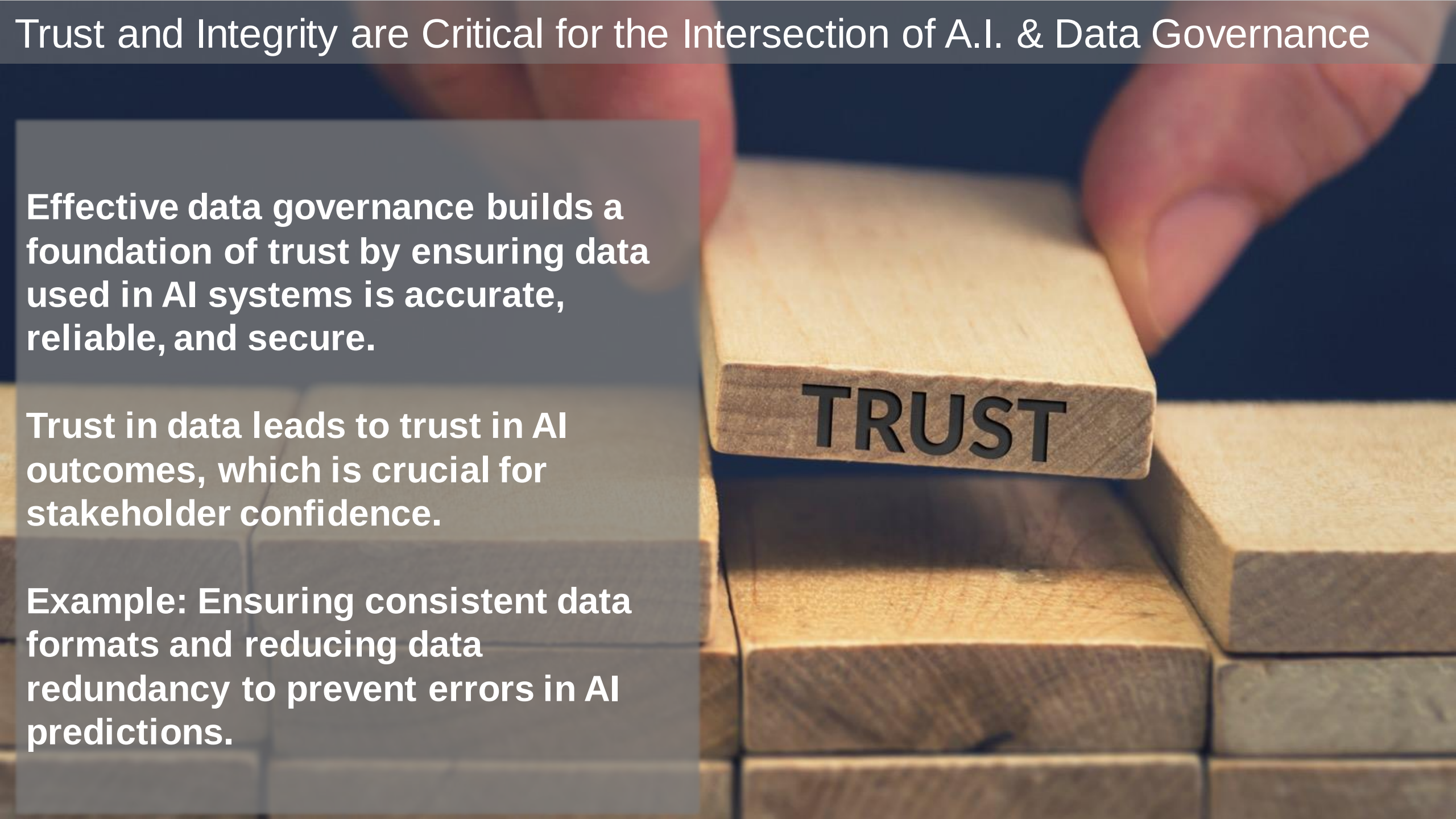
Trust and Integrity are Critical for the Intersection of A.I. & Data Governance



Effective data governance builds a foundation of trust by ensuring data used in AI systems is accurate, reliable, and secure.

Trust in data leads to trust in AI outcomes, which is crucial for stakeholder confidence.

Example: Ensuring consistent data formats and reducing data redundancy to prevent errors in AI predictions.

Success Requires Risk Taking, But Risk Must Be Managed

> *Risk is like fire: If controlled it will help you; if uncontrolled it will rise up and destroy you.*
>
> Theodore Roosevelt

AI risks include biases in decision-making, data privacy violations, and non-compliance with regulations.

Data governance frameworks help identify and mitigate these risks by enforcing data quality measures and ethical guidelines.

Example: Implementing bias detection algorithms and ensuring AI systems have robust consent mechanisms for data usage.

Data GRC Orchestration: Conducting Data Management Across the Enterprise

Structured Approach to A.I. Governance & Risk Management

A.I. GRC Oversight

- A well-defined A.I. governance framework to manage A.I. use that brings together the right roles, policies, and inventory.

A.I. GRC Lifecycle

- An end-to-end A.I. management lifecycle to manage and govern A.I. use from development/acquisition, throughout their use in the environment, including A.I. maintenance and retirement.

A.I. GRC Architecture

- Effective management of A.I. in today's complex and dynamic business environment requires an information and technology architecture that enables A.I. GRC.

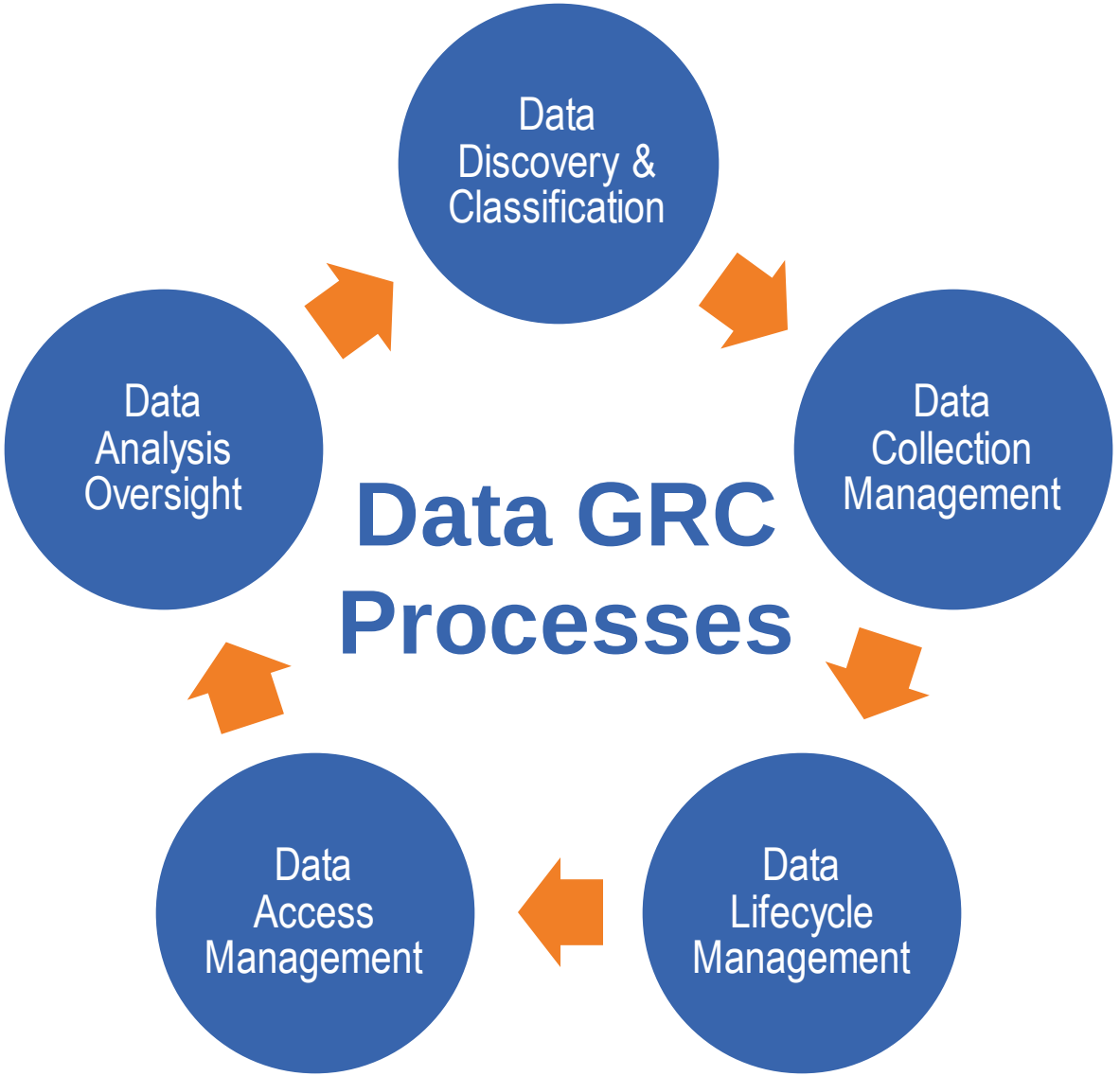
Avoiding Shadow AI

Shadow AI refers to unapproved AI projects that operate without proper governance.

Risks include data breaches, non-compliance, and biased outcomes due to lack of oversight.

Preventive measures: Establish clear AI governance policies, require approval for AI projects, and monitor for unauthorized AI activities.

Core Data GRC Processes



A.I. Risk Management Frameworks & Governance

INTERNATIONAL STANDARD

ISO/IEC 23894

First edition
2023-02

Information technology — Artificial intelligence — Guidance on risk management

Technologies de l'information — Intelligence artificielle — Recommandations relatives au management du risque

- ✓ ***AI Governance Committees oversee AI initiatives, ensuring they align with organizational goals and regulatory requirements.***
- ✓ ***Policies and procedures define how AI systems should be developed, deployed, and monitored.***
- ✓ ***AI Inventory tracks all AI systems within the organization, providing visibility and control.***
- ✓ ***Lifecycle management ensures AI models are regularly reviewed, updated, and retired as necessary.***

Data GRC Management

Data GRC Management Strategy

Data GRC Management Process

Data GRC Management Information

Data GRC Management Technology

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Key Elements in the Data GRC Strategic Plan

- *Identify Indicators of Data GRC Changes*
- *Define Required Controls*
- *Interpret Legal Requirements*
- *Monitor Regulatory Compliance*
- *Design the Data GRC Program*
- *Assess Noncompliance Impacts*
- *Develop Escalation Plans*
- *Understand Business Opportunities*
- *Communicate with the Board*
- *Optimize the Data Management Team & Process*
- *Leverage Technology*

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Data and A.I. Governance Solutions

Data GRC Platforms centralize data governance activities, providing tools for data discovery, classification, and lifecycle management.

AI Governance Tools offer features like bias detection, audit trails, and compliance reporting.

Recommendations for selecting tools include assessing organizational needs, scalability, and integration capabilities.

Mature Data GRC Capabilities Achieve the Following 10 Objectives. . .

1	Reduce the cost of data compliance
2	Accelerate legacy system decommissioning & data migration
3	Retire critical data from production environment to less costly, more secure storage
4	Strictly control data accessibility and visibility
5	Accelerate data discovery
6	Centralize data management
7	Automate data compliance
8	Consistently control data costs & risks
9	Ensure data authenticity, defensibility, and audit-readiness
10	Drive better-informed business decisions

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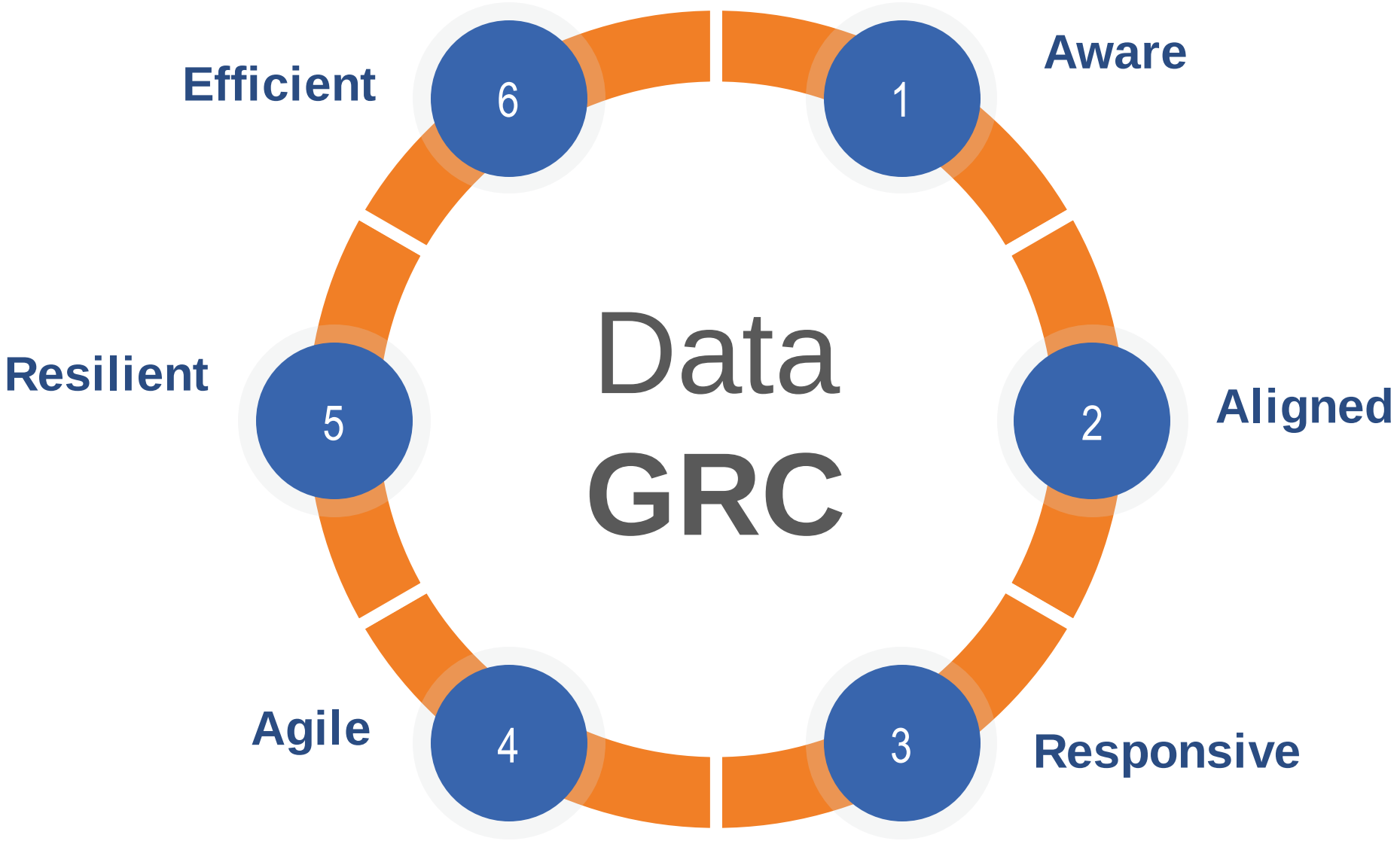
Benefits of 360° Contextual Awareness of Data GRC



Questions?

GRC 20/20 Research, LLC (GRC 20/20) provides clarity of insight into governance, risk management, and compliance (GRC) solutions and strategies through objective market research, benchmarking, training, and analysis.

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