



# AI Governance Principles for Boards

**Artificial Intelligence is a strategic board responsibility. Boards can help companies with their ambitions in this time of opportunity with responsible, ethical and value-driven oversight.**

KPMG International and INSEAD, working with a diverse group of expert non-executive directors and investors, have produced a set of [AI Governance Principles for Boards](#). These are foundational principles, designed to guide board directors as they navigate the trade-offs and dilemmas that AI brings to the boardroom.

The principles combine INSEAD’s academic insight, KPMG’s AI expertise and the real-world experience of leaders who provided input and advice to this initiative. They provide actionable guidance for board members, and those who work with them, on ethical, strategic and risk-aware decision-making, helping to address a critical demand for guidance in the age of AI.



## Methodology — By Boards, For Boards

A Steering Committee and an Advisory Council, comprised of experienced board members, governance specialists, AI specialists and investors, provided insights and feedback at all stages. These contributions, representing knowledge from over fifty companies around the world, helped the project team meet its mission to deliver guidance “by boards, for boards”.

The project team also conducted research and assessment of global governance standards, regulatory frameworks and emerging AI practices.

The Principles are aligned to KPMG’s Trusted AI approach and reflect our commitment to responsible AI governance.



## Benefits

By giving boards clear, practical guidelines for overseeing AI responsibly, ensuring alignment with organizational strategy, regulatory expectations and societal trust, the principles will help board members to:

- Strengthen board oversight of AI risks and opportunities.
- Build confidence in ethical and transparent AI adoption.
- Make informed decisions on AI investments, education and adoption.
- Enhance stakeholder trust and corporate reputation.



## Next steps

KPMG and INSEAD will collate feedback from boards, governance professionals and industry stakeholders to keep the principles, relevant and responsive to evolving AI developments and regulatory landscapes.

## The principles:

### 1. Strategic oversight for long-term value creation

The Company Board is responsible for overseeing the company's development and execution of the company's AI strategy and it supports sustainable long-term value creation.

### 2. Active technology and security oversight

The Company Board actively oversees strategic AI technology choices and expects appropriate consideration of critical parameters such as speed, cost, sovereignty, privacy, safety and security.

### 3. Workforce transformation and human accountability

The Company Board expects that management proactively develops clear guiding principles for effective AI adoption in the organization. It considers how the AI adoption strategy affects the company's human capital resources. This includes the future role of humans vs. AI as well as the required capability building within the workforce.

### 4. Building trustworthy AI

The Company Board expects that management proactively adopts standards for trustworthy AI that reflect the company's values, regulatory obligations, and appropriately considers the company's stakeholders and society at large.

### 5. The work of the Board

The Company Board actively considers how AI will affect its own board governance practices, including the board oversight process itself, and defines what effective AI oversight will look like. It adapts its governance structures and processes, especially regarding oversight of risk management, to meet confirmed AI oversight requirements.

## Connect with us

The KPMG in Canada Board Leadership Centre (BLC) engages with directors, board members and business leaders to discuss timely and relevant boardroom challenges and deliver practical thought leadership on risk and strategy, talent and technology, globalization and regulatory issues, financial reporting, and more. BLC provides an analysis of the big issues reshaping our environment today for public and private-company governance and shares diverse perspectives from KPMG in Canada's subject matter experts to help navigate the boardroom agenda.



**Doron Telem**

Partner, Clients and Markets  
Chair, Board Leadership  
Centre

[dorontelem@kpmg.ca](mailto:dorontelem@kpmg.ca)



**Andrew Forde**

Partner, Technology Strategy  
and Digital Transformation  
Head of AI Research

[andrewforde@kpmg.ca](mailto:andrewforde@kpmg.ca)



**Stephanie Terrill**

Canadian Managing Partner, Digital and  
Transformation  
National Leader, Management Consulting

[sterrill@kpmg.ca](mailto:sterrill@kpmg.ca)