AI Risk Management is an increasingly important area. We recommend that you take a look at the AI Risk & Governance white paper authored by the Wharton AI for Business Center (AIB) in partnership with the Artificial Intelligence/Machine Learning (AI/ML) Risk and Security consortium (AIRS). We collectively believe that the benefits of AI and its adoption within various marketplaces, especially the financial services sector, present opportunities to improve both business and societal outcomes when risks are managed responsibly. The potential risks of AI/ML that are identified in the white paper include: Data-Related Risks, AI/ML Attacks, Testing and Trust, and Compliance. While there is no one-size-fits-all approach, institutions might consider adopting methods and practices to mitigate AI risk which includes oversight and monitoring, enhancing explainability and interpretability, and exploring the use of evolving risk-mitigating techniques like differential privacy watermarking among others. AI governance frameworks could help organizations learn, govern, monitor, and mature AI adoption. The four core components of AI governance identified in the white paper are definitions, inventory, policy/standards, and a governance framework, including controls. (See the attached white paper for reference or read online at https://ai.wharton.upenn.edu/artificial-intelligence-risk-governance/).

About AIB and AIRS: Through interdisciplinary courses and experiential learning opportunities, Wharton’s AIB prepares undergraduate and graduate students for the advancing field of AI. AIB also provides educational resources for business professionals looking to understand machine learning fundamentals. AIB’s programs seek to make the field more inclusive and diverse by attracting curious students and business professionals who have never been exposed to the possibilities of how AI can transform business and society. The lead faculty director, Dr. Kartik Hosanagar, is also a best-selling author of the book, A Human’s Guide to Machine Intelligence, on the risks associated with automated decisions enabled by AI and frameworks to mitigate those risks. AIRS is an informal group of practitioners and academics from varied backgrounds, including technology risk, information security, legal, privacy, data architects, model risk management, and others, working within financial and technology organizations and academic institutions.
Attachments

Artificial Intelligence Risk and Governance