

# Board Perspectives

ISSUE 192

## AI Oversight: A Board Governance Imperative

As artificial intelligence (AI) capabilities mature and deliver expected return on investment (ROI), directors and C-suite leaders should be asking focused questions about integration, governance, benefits, misinformation risks and deployment challenges. Directors should also make AI a regular agenda item at board meetings, which most boards have yet to do.

That's the message from Protiviti's third annual Global Board Governance Survey, which focused on AI transformation.<sup>1</sup> We asked 772 board members and C-suite executives worldwide to rate their organization's positioning on what we refer to as the AI maturity continuum and to assess their progress toward generating sufficient returns. The AI maturity continuum we suggested enabled participants to assess the robustness of their company's AI capabilities using the following stages:

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<sup>1</sup> To explore the results of the 2026 Global Board Governance Survey, download the survey report, *The Board's AI Moment*, from Protiviti and BoardProspects, available at [www.protiviti.com/us-en/survey/global-board-governance-survey](http://www.protiviti.com/us-en/survey/global-board-governance-survey).

This dual focus on maturity and ROI generation provides a contextual snapshot of where a company stands on its AI transformation journey.

|                |                 |   |
|----------------|-----------------|---|
| <b>Stage 1</b> | Initial         | Organization recognizes AI's potential benefits but has limited understanding and no strategic initiatives; KPIs have not yet been defined. |
| <b>Stage 2</b> | Experimentation | Organization has initiated small-scale AI projects and pilot programs to assess feasibility and benefits.                                   |
| <b>Stage 3</b> | Defined         | Organization has integrated AI solutions into existing business processes, enhancing operational efficiency and decision-making.            |
| <b>Stage 4</b> | Optimization    | Organization has optimized AI systems for performance and scalability, with continuous improvements based on data feedback.                 |
| <b>Stage 5</b> | Transformation  | AI drives significant business transformation at the organization, creating new opportunities and reshaping the industry landscape.         |

According to our survey, 57% of the respondents indicated their organizations were at Stages 1 and 2, and 28%, 11% and 4% reported being at Stages 3, 4 and 5, respectively. The level of perceived ROI from AI was assessed using the following scale:

|                       |   |
|-----------------------|---|
| <b>Low Level</b>      | Still early days, not realizing ROI yet; limited early signs of ROI |
| <b>Moderate Level</b> | Moderate, emerging ROI  |
| <b>High Level</b>     | Transformative, significant ROI; strong, noticeable ROI             |

Survey results noted that 55%, 27% and 18% of respondents reported their organizations at the low, moderate and high levels of ROI generation, respectively. This dual focus on maturity and ROI generation provides a contextual snapshot of where a company stands on its AI transformation journey. More importantly, it offers an opportunity to distinguish the perspectives on benefits, obstacles and priorities of organizations that consider themselves more advanced in their AI capabilities (and derived ROI) from the perspectives of other organizations. It also enables an understanding of how the board's oversight evolves as the organization navigates its AI transformation journey.

## Overall survey findings

Our key survey findings are highlighted below:

**Higher maturity yields greater confidence.** While highly intuitive, survey results note that mature, AI-driven organizations have far greater confidence in their ability to integrate AI into operations and to deploy the technology ethically and responsibly. For these companies, the board agenda covers AI far more frequently.

**Effective AI integration and responsible deployment boost ROI.** Organizations that apply strong frameworks, transparency and ethical practices report higher returns in addition to greater confidence: 95% of confident organizations achieve significant ROI, compared with only a third of low-ROI organizations. Likewise, 93% of high-ROI organizations trust their ethical AI deployment, compared with only 42% among low-ROI organizations.

**Innovation risk is the top AI obstacle.** A majority of organizations at the highest level of AI maturity are concerned about managing the risks associated with AI innovation, versus just 20% of those in the initial stages of their AI transformation journey. Critical talent gaps, the lack of essential skills and technology infrastructure limitations are also notable concerns for AI-mature enterprises.

**Key benefits include business process efficiency and, for AI-mature organizations, improved customer experiences.**

Directors and C-suite leaders rank efficiency as the top AI benefit, but those in AI-mature companies are twice as likely to value improvements in customer experience. Less mature organizations prioritize cost savings instead.

**Boards at AI-mature organizations discuss AI at every meeting.**

One of the strongest differentiators among boards is how often AI appears on the agenda. About 63% of boards seeing high ROI from AI include it as a regular agenda item, compared with only 13% of boards with low ROI. These findings underscore the value of boards proactively engaging with management on AI strategy, transformation and oversight.

**AI integration into strategy and high-value opportunities are top priorities.** In terms of AI-related board priorities for the upcoming year, integrating AI into business strategy to address innovation and competitive position, and identifying high-value AI opportunities and use cases are critical topics. AI-driven organizations are significantly more likely to focus on strategy and on specific metrics tied to implementation progress.

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## Action items for boards

Overall, our report indicates progress at the board level is required on multiple fronts. It is imperative that boards do more to become better educated about AI and position themselves and their organizations to address their AI strategy and challenges, and to move swiftly, given stakeholder demands to generate sufficient measurable returns from AI initiatives.

The following are action items for boards to consider when engaging with management and improving the AI oversight process:

### ***Engaging with management***

**Understand how “successful integration” of AI is defined and measured.** Constructively engage and, if necessary, challenge management on where AI is being deployed, how outcomes are measured and whether AI initiatives are delivering consistent, scalable value rather than one-off gains. Consider metrics and indicators such as the percentage of AI use cases deployed at scale in core operations and ROI performance of AI initiatives compared with expectations expressed in business cases.

**Emphasize ethical and responsible AI as an enterprise governance priority.** Incorporate defined accountability, risk oversight and integration into the organization’s broader governance framework. Metrics and indicators to consider include the existence and maturity of an ethical AI governance framework, management’s confidence in responsible AI deployment, and the frequency and severity of AI-related risk issues escalated to the board.

**For organizations early in their AI journey, encourage management to shift the focus.** Move beyond process efficiencies, cost savings and productivity gains to a more transformative emphasis — for example, emphasize improvements in customer experiences, products and services that drive revenue growth and market share. Consider metrics and indicators such as the distribution of AI investments across efficiency versus strategic growth use cases; AI initiatives directly tied to customer experience, revenue or market expansion; and management’s articulation of AI’s role in go-to-market and product strategies.

**Evaluate whether the nature, extent and timing of the board’s oversight of management’s AI governance framework are fit-for-purpose.** In this assessment, consider the scope and scale of the company’s AI deployments. Metrics and indicators to consider

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include evidence that the governance framework is functioning effectively and is periodically recalibrated as the organization becomes more AI-mature.

**Ensure that management has formalized AI risk governance and integrated it into the enterprise risk management (ERM) process.** Make sure there is regular board-level visibility as AI initiatives scale. Consider metrics and indicators such as the percentage of major AI initiatives subject to documented risk and governance review, and the nature of and emphasis given to AI-related risks incorporated into the ERM process.

**Evaluate management's end-to-end AI road map that links AI aspirations to enabling, ongoing investments in technology infrastructure and workforce capabilities.** Metrics and indicators to consider include progress against the approved road map (with emphasis on the technology modernization and capability enhancement milestones); investments in AI training, upskilling and talent linked to management's objectives; and the percentage of AI initiatives delayed due to infrastructure or skills constraints.

### ***Improving the board's AI oversight process***

**Make AI a standing board agenda item linked explicitly to enterprise strategy, value creation, innovation priorities and competitive positioning.** Consider metrics and indicators such as the frequency with which AI appears as a standing agenda item at full board or designated board committee meetings and management's ability to articulate how AI initiatives support strategic objectives, innovation priorities and competitive positioning through a consistent reporting cadence.

**Calibrate the board's AI oversight priorities with the organization's positioning on the AI maturity and ROI continuums, adjusting discussion topics as these factors evolve.** As noted in our survey, high ROI organizations focus on integrating AI into strategy, innovation and competitive position; low ROI organizations concentrate on identifying opportunities, use cases and establishing governance frameworks, likely because foundational elements are not yet in place. Metrics and indicators to consider include management's clarity in articulating the organization's current and desired positioning on the AI maturity and ROI continuums, and how board discussion time is allocated across AI strategy and competitive positioning, AI implementation progress and measures of success, and governance frameworks and foundational capabilities.

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**Evaluate the executive accountability framework for AI transformation and the board–management engagement model and, if necessary, take steps to strengthen them.** Consider metrics and indicators such as clarity and consistency of executive ownership for AI outcomes, as reported to the board, and alignment of the board’s oversight model used (full board versus distributed committee model) with AI’s strategic importance to the organization.

### **In summary**

Now that the “show me the money” era of AI has eclipsed the technology’s experimentation phase, we encourage everyone to read the full report, which includes suggested questions for directors to consider regarding board oversight and AI deployment and transformation. It is time to move beyond trial-and-error mode into practical, revenue-generating applications of AI in the enterprise. In response, directors need to recognize that this is their AI moment.

If there is a single takeaway from our global survey, it is that board AI oversight is dynamic and evolving. As the organization’s AI maturity grows, there is a noticeable shift in board discussions beyond foundational questions, with fewer repeated debates about “what AI is” and more focus on scaling, optimization and strategic impact. AI-related risk discussions are integrated with assessments of AI value-creation opportunities, rather than treated as an afterthought, shifting from ad hoc, reactive updates to more forward-looking strategic dialogues.

As boards and committees report more frequently on AI ethics, transparency and trust, their confidence in management’s AI strategy and its connection to long-term value increases — especially when AI is presented as a business priority, rather than a technology issue. Clearly defined AI oversight roles across the board help support advanced AI maturity, while regular briefings, independent learning and continuous education help board members build AI fluency.

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## About the authors



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Frank Kurre works with our firm's clients and account teams in leading Protiviti's global board governance, CEO and alumni programs. Based in New York, he is focused on expanding Protiviti's deep relationships globally and working with Protiviti's CEO and other senior leaders on projects of strategic importance to the firm.

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