The Middle Path:

Project Level Governance for Accountable AI

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Today's Topics:

- Define AI Governance and its Value Proposition
- Highlight the challenge of implementing formal AI governance at the enterprise, organization-wide level
- Project level AI governance as a possibility for organizations facing the enterprise level challenge
- Review key elements of project level governance

Presentation based on the author's article *The Middle Path: Project Level Governance for Accountable AI* (AIIM, forthcoming)

Author produced the following slides and graphics with the help of GenAI.

Definition of Governance:

Governance in the information technology arena encompasses institutional processes and decision-making rights that establish controls and performance criteria for IT investments, IT-enabled service delivery, and legal, regulatory and policy compliance.

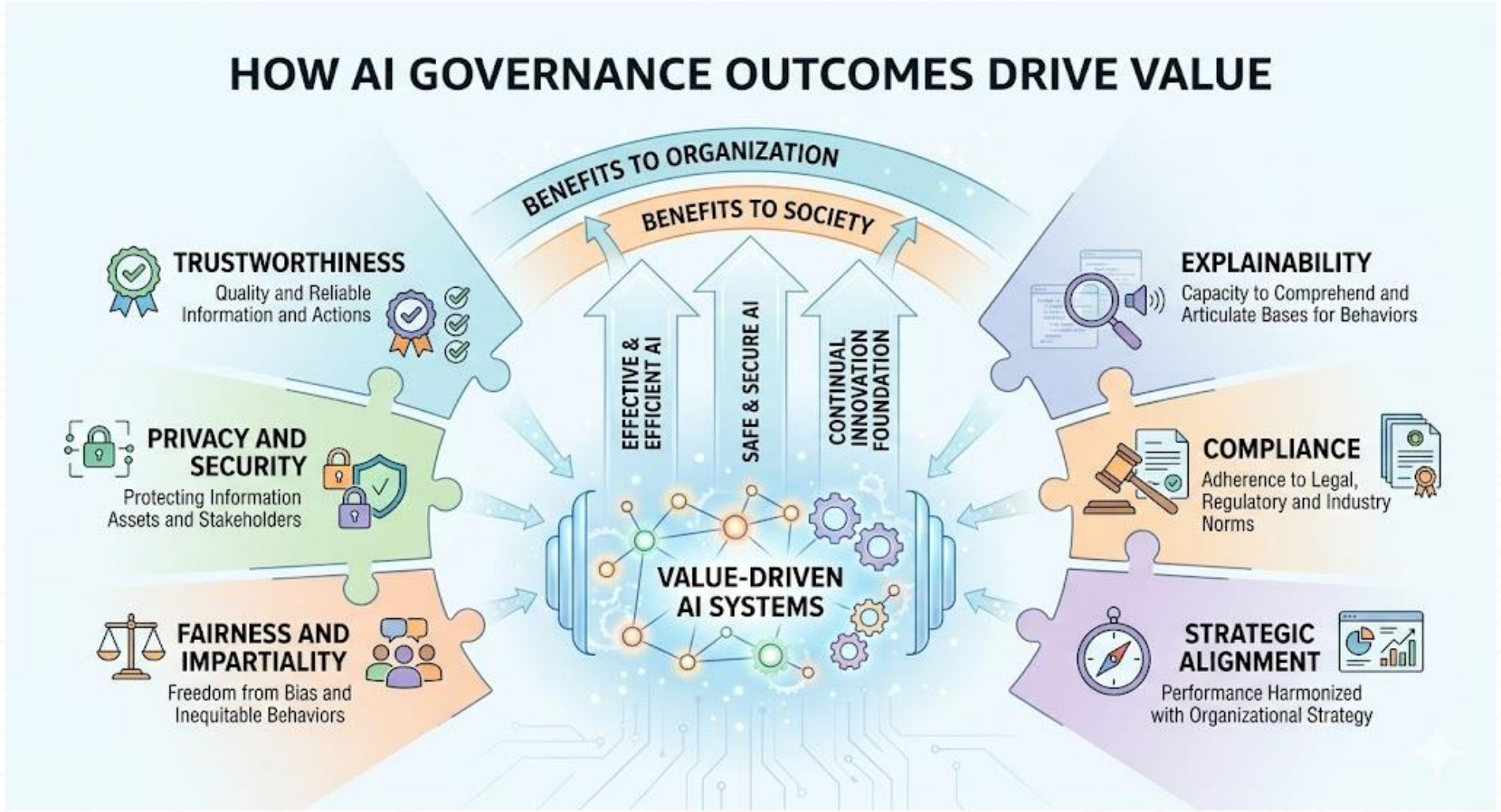
This definition is apt for AI.

Selig, G. J. (2016). *IT governance-an integrated framework and roadmap: How to plan, deploy and sustain for improved effectiveness.* Journal of International Technology and Information Management, 25(1). https://doi.org/10.58729/1941-6679.1252

Summation	
Governance Element	**Function**
Decision-Making Rights (Leadership)	Define who has the authority to set rules and approve plans and actions to: 1) reach performance targets; 2) and address compliance requirements for sound and safe operations
Processes	Set forth the methods and workflows employed to reach effective, efficient, and compliant performance
Controls and Criteria	Delineate the measurements for success

Examples of key frameworks that address AI governance by employing the elements above:

- European Union's Artificial Intelligence Act (2024)
- ISO/IEC standards 38507 (2022) and 42001 (2023)
- National Institute of Standards and Technology (2023)
- U.S. Government Accountability Office (2021)



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The AI Governance Challenge

- *Gold Standard* Frameworks Such as Those Referenced Previously Can be Challenging
  - **Structural:** Formal organizational hierarchies and exacting procedures
  - **Cross-Disciplinary Coordination:** Sustained and formal coordination among offices -- IT, Legal, HR, Ethics, and more.....
  - **Overhead:** Significant executive involvement, specialized talent, and resource allocations
  - **Rote Bureaucracy:** Risk of formal programs devolving into meaningless paperwork exercises

- Many organizations lack the executive focus, culture, budgets, and institutional infrastructures to develop and maintain formal centralized regimes

- What can AI advocates situated in local business units or decentralized environments do if their organizations are facing this challenge and cannot provide effective top-down governance?
  - Defer and be safe, but risk paralysis and lost opportunities
  - Push forward unilaterally but risk failure and harmful outcomes
  - Choose a *middle path* by shifting to a project level mind set...

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Project Level Mind Set

- **Line of Business Ownership*:** Enable end users by moving decision making and responsibility closer to business units
- **Responsible Agility:** Seek direct integration of key governance processes and measures with the creative thrust of project work (stay true to the core elements of the gold standards, but shift view from rote conformance to safe and effective **build** efforts)
- **Efficient Collaboration:** Rely on nimble cross-functional (matrix) relationships and LOB staff rather than waiting for top-down mandates
- **Bottom-up Learning:** Commitment to continual learning from the execution of projects, with an eye toward sharpening AI governance and using lessons learned to inform the enterprise – emphasis on evolution

*See: Sen, R. et al. (2025). *PwC's responsible AI survey: From policy to practice*.PwC. https://www.pwc.com/us/en/tech-effect/ai-analytics/responsible-ai-survey.html

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Project Level AI Governance Concept -- Phases and Key Decision Points

Phase	Purpose	Key Decision Points/Actions
Phase 1: PREPARE	Establish leadership and project governance infrastructure	• **Coalesce leadership around project visions and commit to governance** • **Configure** a collaboration/governance hub • Coordinate governance and project-management information flows
Phase 2: ORIENT	Clarify direction, roles, and human involvement	• Formalize the vision for the AI application • Appoint responsible staff • Maintain a focus on human involvement • Pinpoint and analyze stakeholders
Phase 3: DEVELOP	Build the technical and risk foundation for responsible AI	• Describe the data sources • Assess data quality • Document hardware and software components • Confirm security/privacy posture • Conduct risk assessments and develop mitigation plans • Execute and document testing
Phase 4: IMPLEMENT	Ensure a controlled, well-documented deployment	• Conduct a rigorous and documented implementation process • Align operational staff roles • Conduct training, communicate and fund • Transition to production
Phase 5: OPERATE	Sustain governance and close the project responsibly	• Close project and institute ongoing governance • Monitoring • Auditing • Evaluating • Employing change control • Aligning with existing organizational controls • Decommissioning

- **This concept reflects the presenter's understanding of core AI governance elements that are drawn largely from ISO/IEC standards 38507 (2022) and 42001 (2023), distilled into a project-level view. Project leaders should adapt their own project level models to meet the specific requirements of their organizational contexts.

Synchronize Project Level Governance with Project Management

Governance and project management phases and tasks overlap. Project management channels efforts to deliver AI systems and services, while governance addresses accountability. When project teams apply both disciplines in a coordinated fashion, they can build AI systems that are responsibly governed and efficiently/successfully executed. The linkage can make the governance value proposition clearer and motivating to all involved.

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PROJECT PHASES
1.0 Prepare
Establish leadership & project governance infrastructure
2.0 Orient
Clarify direction, roles, and human involvement
3.0 Develop
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AI
4.0 Implement
Ensure a controlled, well-documented deployment
5.0 Operate
Sustain governance and close the project responsibly

1.0 - Prepare
Local Leadership, Committing to Governance and Creating an Efficient Governance/PM Information Flow

1.1 Coalesce Around Governance and Project Vision	1.2 Identify & Configure a Collaboration / Governance Hub	1.3 Coordinate Governance & PM Information Flows
• Local catalysts/sponsors establish a commitment to governance and a unified, compelling vision for the AI initiative • Ownership is a key to illustrating governance and achieving accountable outcomes • Fund/resource governance	• Platform that project team members use to interact and record key decisions, and to make project **visible to the enterprise** • Governance is not possible without a means to record and make accessible institutional memory about the use of AI	• Align governance actions with the five PMI project phases listed previously • **Tasks and topics overlap** (develop and record governance-related decisions as project tasks unfold)

Considerations for the C/G Hub:

- Employ general platforms like Microsoft's Office 365 (With Project Plan), Google's Workspace (With Tasks, Sheets, Calendar and Drive) and/or products like Trello and Jira, etc.
- Use manual alternatives if collaboration platforms are lacking or incomplete
- **Use AI to help automate the linkage between governance and project management tasks and to capture, curate, analyze and report on governance actions and interactions**

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2.0 - Orient
The Human Component

2.1 Formalize the Vision & Use Case	2.2 Designate Responsible Staff	2.3 Maintain Human Involvement	2.4 Pinpoint & Analyze Stakeholders
• Document the project's purpose, values, functions, and performance criteria — the use case	• Clarify authority and responsibility through defined governance roles using tools like RACI charts • Ensure accountability throughout development **and** operations • **Leverage PM and governance overlap** • On-going process	• Embed humans-in-the-loop at critical junctures – for example, design, develop, test, implement, operate (the entire life cycle)	• Identify who is affected, how they are affected, and how the team will communicate with them — strengthening trust, transparency, and responsible deployment.

Together, these actions create a disciplined, **human-centered** governance foundation that reduces risk, strengthens accountability, and increases the likelihood that the AI system delivers meaningful, fair, and measurable organizational outcomes.

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AI GOVERNANCE: KEY ROLES & RESPONSIBILITIES

Role / Function	Responsibilities
Sponsorship	Guides the AI effort from development through implementation and operation; serves as lead advocate and decision-maker
Business Expertise	Shapes AI functions, conducts testing/administration, ensures business objectives are continually met
IT Support	Oversees technology adoption and integration (Cloud/on-prem); includes architects, programmers, data scientists, and data engineers
Procurement	Manages acquisition of hardware, software, and services; ensures contract compliance
Information Security	Protects data and systems from unauthorized access, disclosure, or destruction
Legal / Regulatory	Defines legal boundaries for AI use and ensures compliance with laws and standards
Ethical Screening	Identifies bias/unfairness in data and models; recommends actions to ensure fair outcomes
Risk Assessment / Management	Surfaces potential negative consequences of AI use and develops mitigation plans
Records Management	Sets policies for retention and disposition of AI-related records and data
External Support	Provides vendor, cloud, and partner expertise for underlying AI systems and services
Stakeholder Advocacy	Ensures AI processes reflect the needs of customers, staff, and societal groups
Budget / Fiscal	Approves and allocates funding for development, implementation, and ongoing operations
Audit	Evaluates compliance with standards, laws, and performance expectations

In a project-level context, depending upon the scope and complexity of the endeavor, consider melding project and governance role assignments, constructing matrix relationships and/or tapping consulting resources if possible.


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3.0 - Develop
The Technical Component, On-Pemises and Third Party

3.1 Describe the Data Sources	3.2 Assess Data Quality	3.3 Document Infrastructure	3.4 Confirm Security Posture	3.5 Address Risk Management	3.6 Execute and Document Testing
• Catalog all data sources, including metadata, that the AI system will use • Document provenance, paths & processing • Leverage data management platforms where available -- e.g., Databricks, Collibra, Collate, Snowflake, etc.	• Basic Dimensions – Evaluate completeness, accuracy, consistency, and integrity • Bias Detection – Identify cognitive, mechanical, sampling, or measurement biases that could distort AI outputs • Assess sensitivity, confidentiality and privacy	• Record processors, memory, storage, networks, and cloud infrastructure supporting AI workloads • Document language models, algorithms, and processes that operate on data and that drive decisions/ actions	• Identity verification • Encryption • Access control • Backups • COOP • Compliance regimes – HIPAA, CJIS, 1075,, etc. • AI threats such as prompt injection	• Assessments – Identify risks, evaluate likelihood and impact, and document findings • Mitigation Plans – Define actions, responsibilities, timelines, and resources to reduce or manage risks.	• Traditional Testing – conduct unit/system, security, stress UAT testing • AI-Specific Testing – Include pretraining/ training, tests for fairness, reliability, and scalability • Advanced Techniques – Use agent simulation, RAG testing, A/B testing, and evaluation platforms

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Collectively, Phase 3.0 actions form the backbone of accountable AI development. By executing these actions, the project team shows that, in advance of implementing an AI system/service, it understands its data, technology, processes, risks, and security posture. Documenting these elements goes to the heart of transparency, reliability, and trustworthiness.


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4.0 - Implement
Bringing the Vision to Fruition

4.1 Conduct a Rigorous and Documented Implementation Process

4.1.1 Align Operational Staff Roles	4.1.2 Conduct Training, Communicate and Fund	4.1.3 Transition to Production
• Define responsibilities for **on-going** monitoring, vendor oversight, stakeholder engagement, performance management and change authority • Document assignments in a RACI diagram	• Prepare staff for launch with role-specific training • Share launch details, functionality updates, organizational changes, and contact points for support. • Allocate funds for ongoing operations, maintenance, upgrades, and expansion	• Coordinate tasks across teams (vendors, IT, cybersecurity, business units) • Document task sequences, dependencies, instructions, and approvals • Include rollback plans

Executing these actions will help the project team deliver an effective and accountable AI system/service. By aligning roles, training staff, and securing resources, the project team sets the foundations for operational resiliency. Targeted communications and disciplined transition planning reduce the risk of failure, promote accountability, and support long-term success.

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5.0 Operate – Vigilance and Lifecycle Learning

5.1 Close the Project & Institute Ongoing Governance

Ensure orderly project close out and transitioning to sustained governance through the AI system/service life-cycle

5.1.1 Monitoring	5.1.2 Auditing	5.1.3 Evaluating	5.1.4 Employing Change Control	5.1.5 Aligning with Existing Org. Controls	5.1.6 Decommissioning
• Continuously review system/service performance against targets • infrastructure (uptime, response time), security threats, data quality, and AI output accuracy • Combine automated tools with essential human judgment	• Conduct internal or third-party audits of data, models, and deployment practices • Assess fairness, accuracy, explainability, drift, and compliance. • Use findings to strengthen governance and remediate weaknesses	• Apply human judgment to monitoring and auditing results • Determine whether the system needs changes • Schedule regular and ad-hoc evaluations	• Use structured processes for proposing and implementing system changes • Include standardized requests, signoffs, testing, cutover steps, and renewed monitoring • Document all actions in the hub	• Respond to information requests from finance, legal, oversight bodies, executives, and regulators • Use the hub to retrieve and record required information • Ensure AI operations integrate smoothly with existing control regimes	• Plan and execute responsible system retirement when needed • Terminate agents/models, purge data securely, revoke credentials, log all actions, and release resources • Follow risk management and records retention requirements

Phase 5 actions help to ensure the AI system/service continues to be safe, effective, and aligned with organizational values /strategy long after it is implemented.

Consult with contractors for governance standards compliance audits.

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For innovators, Some Words to the Wise …….

- Nonmatter how you choose to approach AI:
  - Consider readiness – ability and resources
  - Mind formal legal or policy restrictions
  - Be especially careful if working in highly regulated environments with sensitive information and/or with applications that can affect the health, safety, and/or rights of people
  - Realize that no approach **guarantees** success, continue on with a realistic perspective

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Conclusion

In the absence of centralized, enterprise level governance programs, individual business units and small organizations may consider applying project level AI governance to bring about the use of accountable AI. Project level governance allows for the sustained application of the technology in a way that adds value to the organization and helps its stakeholders in justifiable, safe, transparent, responsive, and productive ways. Project level governance stands as a middle path between institutional inertia and fragmented, uncontrolled application of the technology, and meshes with the creative thrust of project management. Applied in tandem, the two disciplines of project level governance and project management help organizations transform visions of AI use cases into working, well-managed realities.

THANK YOU!

James Fruscione

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