

Risk Appetite & Control Objectives for Artificial Intelligence Systems

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1. Executive Summary

This document establishes the enterprise-wide risk appetite framework and control objectives for artificial intelligence systems, providing quantitative thresholds for acceptable error rates, bias metrics, system availability, and operational costs while ensuring alignment with business value creation. The framework enables consistent risk-based decision making across the AI portfolio and integrates with release management processes to ensure appropriate risk controls are applied before system deployment.

The framework addresses requirements from NIST AI Risk Management Framework GOVERN-1.1 through GOVERN-1.6, ISO 23053:2022 Clause 5.2.1, and establishes measurable criteria that support both innovation objectives and regulatory compliance across all AI system implementations.

Key framework benefits include:

- Standardized risk assessment methodology across all AI initiatives with statistical validation
- Clear accountability structures with defined roles and decision-making authority
- Automated monitoring and alerting capabilities for proactive risk management with real-time dashboards
- Integration with existing enterprise risk management and governance frameworks per ISO 31000:2018
- Compliance alignment with emerging AI regulations including EU AI Act Article 9 requirements
- Cost optimization through risk-adjusted resource allocation and investment prioritization models