

# Insights snapshot: AI use by directors and boards

As organisations embed artificial intelligence (AI) into their operations and business strategies, board conversations are shifting from 'how do we govern AI' to 'how can AI help us govern'?

Insights from the AICD resource [AI use by directors and boards](#) suggest AI use in Australian boardrooms remains cautious and limited, with adoption often driven by informal individual experimentation rather than collective board decisions.

This snapshot highlights key governance messages from the resource, encouraging boards to openly discuss how AI may support deliberations and reporting quality, without undermining management confidence, confidentiality or role clarity.

## AI in the boardroom - Key governance considerations

AI tools do not replace the essential human oversight role of the board and individual directors, nor do they mitigate blind spots or substitute for critical thinking.

There is no 'one size fits all' answer to whether a board should adopt AI for governance purposes. This will depend on factors such as the risk appetite of the board, the board's digital fluency, and the organisation's broader strategic and governance priorities.

### The following principles should be prominent in deliberations on AI use in the boardroom:

- Directors must not rely on AI-generated summaries or analysis as a substitute for their own review and interrogation of board papers. Regulators will expect that directors have analysed and appropriately interrogated all the materials in a board meeting pack and directors must be mindful of their duty to act with care and diligence, and in the best interests of their organisation.
- Boards should ensure the organisation's AI register, inventory and/or risk frameworks are updated to reflect management, committee and board use of AI.
- Directors should have a level of AI literacy that enables them to understand the strengths and deficiencies of AI tools that could be used to assist with governance tasks, including risks associated with bias, data quality, opacity and security. This literacy should also allow directors to challenge management on the nature and quality of AI inputs.
- Directors should take care to ensure the board, or their individual, use of AI does not undermine confidence in management or blur lines of accountability.

AI in the boardroom is a fast-moving area with complex issues and trade-offs involved. Many use cases are experimental and not without risk. The AICD encourages directors to seek professional advice, including legal advice where appropriate, and training to support the safe and effective use of AI.

### Questions for directors to ask

1. Has the board discussed AI use by directors, the company secretary and management team?
2. Are there vetted AI tools available for safe AI use by directors and company secretaries?
3. Has the board documented protocols for board and director use of AI, such as acceptable use, record retention and disposal, and access controls?
4. Have directors satisfied themselves that any AI tools used with board papers or other sensitive information are private, secure and protect organisational confidentiality and IP?
5. Do directors have access to appropriate training on how to use AI safely and responsibly?
6. Has the board sought professional advice on the responsible use of AI by individual directors and the board?

### Governance red flags

1. Public AI tools, such as freely available web-based generative AI products, are used to analyse board packs or other sensitive information.
2. Directors have relied on an AI-generated summary of board papers without reading them.
3. Directors are using AI to perform the functions of management or in a way that undercuts management's role.
4. AI tools are used as a substitute for effective board packs – surfacing fundamental information that should be provided by management.
5. AI outputs are not verified by a human and there is no 'human in the loop' – e.g. AI is used to generate minutes of a meeting without human review.
6. There are no controls on the level of organisational information directors can access using company-provided AI tools.

## Illustrative AI use cases

The resource contains a number of hypothetical examples – such as AI use in audit committee reporting – that illustrate both the potential benefits of AI tools in the boardroom and the associated governance risks.

It also contains real world case studies from REINSW, Women For Election and director reflections from Tim Trumper GAICD on AI as a thought partner for investment strategy decisions.

### Audit Committee reporting

The Audit Committee is looking to systematically identify key trends and anomalies across documents reviewed by the Committee.

- **AI use case:** Machine learning analyses information across audit reports and financial papers, providing a summary of key trends and any anomalies for closer scrutiny by the Committee. The Audit Committee reviews the AI generated findings and discusses with management.
- **Potential benefit:** Identifying patterns across disparate documentation that would otherwise be difficult or time consuming to uncover manually. This reduces the likelihood of blind spots and can improve the quality of reporting to the board.
- **Considerations:** Board committees should agree parameters for AI use with the board and ensure appropriate procedures and controls are in place.

## Further AICD digital governance resources

This resource forms part of a broader suite of AICD releases supporting directors to navigate governance in a digitally oriented world.

[A Director's Introduction to AI](#) (2024) – in partnership with the Human Technology Institute (HTI), University of Technology Sydney

[A Director's Guide to AI Governance](#) (2024) – in partnership with HTI

[AI Fluency for Directors Sprint](#) (2025) – in partnership with The University of Sydney and Deloitte

[Cyber Security Governance Principles Version 2](#) (2024) – in partnership with the Cyber Security Cooperative Research Centre

[Data Governance Foundations for Boards](#) (2025) – in partnership with Allens and Melbourne Business School Centre for Business Analytics

[Effective board minutes and the use of AI: A joint statement](#) (2025) – in partnership with the Governance Institute of Australia