



# Board Leadership in the Age of AI

Unlocking value through governance and assurance



Artificial Intelligence (AI) has rapidly ascended to the top of Board agendas, with 71 percent of CEOs now ranking it as a leading investment priority. In October 2025, KPMG convened a group of global investors and board members in Milan, Italy to discuss the transformative potential of AI, the opportunities and risks it introduces, and the critical role of assurance in fostering trust and confidence in AI systems. This article builds on the discussion and offers a view on what boards should consider for the organizations they govern.

## AI's Strategic Opportunity

Boards recognize AI as a catalyst for innovation, productivity, and competitive advantage. From automating complex processes to unlocking new business models, AI promises measurable outcomes and sustainable growth. Yet, the pace of adoption is tempered by caution. Boards are mindful of the need for robust governance frameworks, clean and integrated data, and alignment with strategic business objectives. The absence of these foundations can slow AI deployment and erode value.

## The Dual Challenge: Complexity and new risks

The AI landscape presents Boards with a uniquely complex risk environment. Rapid technological evolution brings new threats including cybersecurity vulnerabilities, data privacy breaches, and ethical dilemmas that are deeply interconnected. A single lapse in data governance can escalate into reputational damage or regulatory penalties.

# 71%



of CEOs consider AI a top investment priority, despite economic uncertainty

[kpmg.com/CEOoutlook](https://kpmg.com/CEOoutlook)

Boards play a crucial role in promoting transparency and building stakeholder trust. Clear communication about how AI systems operate, their limitations and the controls that need to be in place is vital for maintaining confidence among investors, customers, and regulators.

As AI systems become more autonomous and influential, maintaining trust will be a defining challenge, and opportunity, for board leadership.

## 6 key takeaways from the Board Investor Exchange

Reflecting on the Board & Investor Exchange, several key themes emerged that should guide board priorities:

**Balancing innovation with responsibility:** Boards must foster innovation while ensuring responsible AI deployment, weighing the benefits against potential risks.

**Data readiness as a strategic imperative:** The quality, integration, and governance of data are foundational for successful AI adoption.

**Fragmented legacy systems impede AI deployment:** Disconnected technology environments undermine data integration, slow innovation, and complicate governance making it difficult to realize the full value of AI investments.

**Insufficient business case and investment:** Without a clear business case and adequate investment, AI initiatives may fail to deliver value.

**Heightened cybersecurity risks:** Opening core systems to AI introduces new vulnerabilities, requiring boards to strengthen cybersecurity oversight.

**Third-party dependency and data value erosion:** Reliance on external AI providers raises concerns about losing control over proprietary data and diminishing its strategic value, creating long-term dependency risks.

These takeaways highlight the multifaceted challenges boards face and underscore the need for a holistic approach to AI governance.

## What Boards should be considering now

Building on these insights, boards should consider how they can:

- Ensure risk management processes are agile and comprehensive across the AI lifecycle, addressing both innovation and responsibility.
- Establish clear governance for AI ethics, risk management, and accountability, with a focus on data readiness and cybersecurity.
- Advance system modernization and integration to ensure technology foundations are robust, connected, and capable of supporting secure, effective AI deployment.
- Align AI initiatives with business strategy, financial targets, and, where applicable, sustainability commitments, ensuring a robust business case and investment.
- Stay ahead of evolving regulations and adapt organizational practices proactively, especially in the context of third-party dependencies.
- Champion workforce readiness and digital literacy to prepare for new roles and responsibilities.
- Promote transparency and build stakeholder trust through clear communication about AI systems and controls.

### Independent AI assurance increases stakeholder confidence

As AI systems increasingly influence critical business decisions, independent assurance validates that these systems are designed and operated responsibly. Assurance is not just a compliance exercise; as a Board-level priority it can help build trust among stakeholders, regulators, and the public.

By obtaining independent attestation of AI systems, organizations can avoid costly penalties, reduce legal exposure, and position themselves as leaders in responsible technology adoption.

Insights from assurance can be leveraged to drive continuous improvement, identify gaps in governance, and ensure AI initiatives are aligned to strategic objectives. It provides Boards with the evidence needed for regulators and auditors and supports sustainable innovation and long-term growth.

In a competitive and disruptive environment, Boards that prioritize strong AI governance practices and obtain independent assurance are better equipped to unlock value, manage risks, and lead confidently into the future.

### Leading the way forward

As artificial intelligence continues to reshape industries and redefine competitive advantage, boards and senior leaders bear a great responsibility. By embracing robust governance, proactive assurance, and a commitment to ethical innovation, boards can not only safeguard their organizations against emerging risks but can also unlock new sources of value and trust.

The insights and priorities shared at the Board & Investor Exchange underscore the importance of collaborative leadership and informed decision-making as organizations navigate the evolving AI landscape. The journey toward responsible AI is ongoing, and those who lead with vision, transparency, and accountability can set the standard for sustainable success in the AI age.

Now is the time for board leadership to champion AI strategies that inspire confidence, drive growth, and ensure lasting impact for all stakeholders.

### Questions for Boards to consider

1. How does AI align with our overall business strategy and long-term objectives?
2. What competitive advantage does AI provide, and how will we measure its success?
3. Does our governance framework provide clear accountability for AI decisions and risk management, and are we building assurance into our overall AI strategy?
4. How are we managing AI-related risks such as bias, privacy, cybersecurity, and regulatory compliance?
5. How do we ensure AI systems are fair, transparent, and explainable, and can we demonstrate ethical use to shareholders and regulators?
6. What is our approach to responsible AI, including social impact and sustainability considerations?
7. Are we prepared for evolving global AI regulations, and do we have a compliance roadmap for all jurisdictions where we operate?
8. Do we have the right talent and skills to implement and govern AI effectively?
9. Is our data strategy robust enough to support AI initiatives securely and effectively?
10. What metrics and reporting mechanisms are in place for AI performance, risk, and compliance, and how often does the board review them?

## How KPMG can help

KPMG offers a broad suite of AI services, from initial design and implementation through to robust independent AI assurance, tailored to support the evolving maturity needs of companies.

One of the early-stage services to consider is **KPMG's RealTime System Assessment (RTSA)**. RTSA enhances the audit process by delivering timely, value-driven insights throughout the AI system development lifecycle. By engaging early, RTSA enables a deeper understanding of impacts on internal controls, supports real-time risk evaluation, and provides actionable recommendations. This proactive approach can help Boards and management address risks and controls ahead of time, minimizing costly surprises, streamlining audit planning and creating opportunities to manage financial reporting risks sooner.

### KPMG Trusted AI Framework

The KPMG Trusted AI Framework provides organizations with a structured, end-to-end approach for deploying and managing artificial intelligence responsibly. The framework is designed to help boards and executive teams navigate the complex landscape of AI risks, regulations, and opportunities, helping ensure that AI systems are not only innovative but also trustworthy, ethical, and compliant.

## Contact us



### Neil Morris

Global Head of Assurance  
& Methodology  
KPMG International  
neil.morris@kpmg.co.za



### Riccardo Cecchi

Head of Audit  
KPMG Italy  
riccardocecchi@kpmg.it



### Frank van Praat

Head of Responsible AI  
KPMG Netherlands  
vanpraat.frank@kpmg.nl

Some or all of the services described herein may not be permissible for KPMG audit clients and their affiliates or related entities.

[kpmg.com](https://kpmg.com)



The information contained herein is of a general nature and is not intended to address the circumstances of any particular individual or entity. Although we endeavor to provide accurate and timely information, there can be no guarantee that such information is accurate as of the date it is received or that it will continue to be accurate in the future. No one should act on such information without appropriate professional advice after a thorough examination of the particular situation.

KPMG refers to the global organization or to one or more of the member firms of KPMG International Limited ("KPMG International"), each of which is a separate legal entity. KPMG International Limited is a private English company limited by guarantee and does not provide services to clients. For more detail about our structure please visit [kpmg.com/governance](https://kpmg.com/governance).

© 2026 Copyright owned by one or more of the KPMG International entities. KPMG International entities provide no services to clients. All rights reserved.

The KPMG name and logo are trademarks used under license by the independent member firms of the KPMG global organization.

Throughout this document, "we", "KPMG", "us" and "our" refers to the KPMG global organization, to KPMG International Limited ("KPMG International"), and/or to one or more of the member firms of KPMG International, each of which is a separate legal entity.

Designed by Evalueserve

Publication name: Assurance insights | Publication number: 140205-G | Publication date: January 2026