

AI Risk Management – From prototype to production

Line Løkken & Cecilie Mortensen

7th of April 2025



The better the question. The better the answer. The better the world works.



Shape the future
with confidence

Joining you from EY are ...



Line Løkken

AI Compliance and Governance



Cecilie Mortensen

AI Model Risk Management

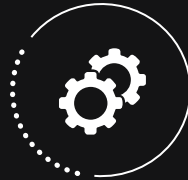
Establishing robust **AI Risk Management** ensures a smooth journey from prototype to production

Robust AI Risk Management should be considered from two key areas

Responsible AI



Identifying AI readiness and regulatory compliance within an institution ensuring a good reputation and build governance to realize value working with AI



Model risk



Compliance risk



Reputational risk



Operational risk

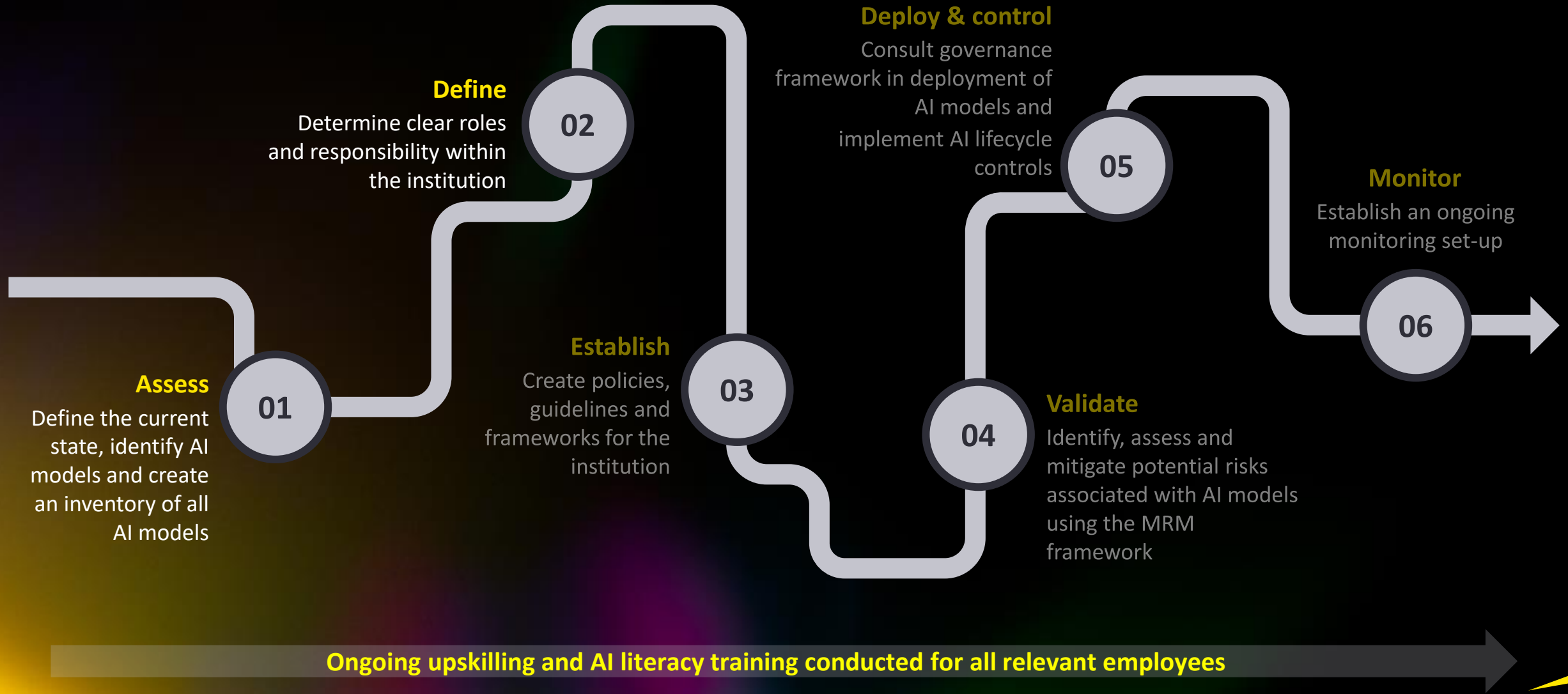


AI Model Risk Management

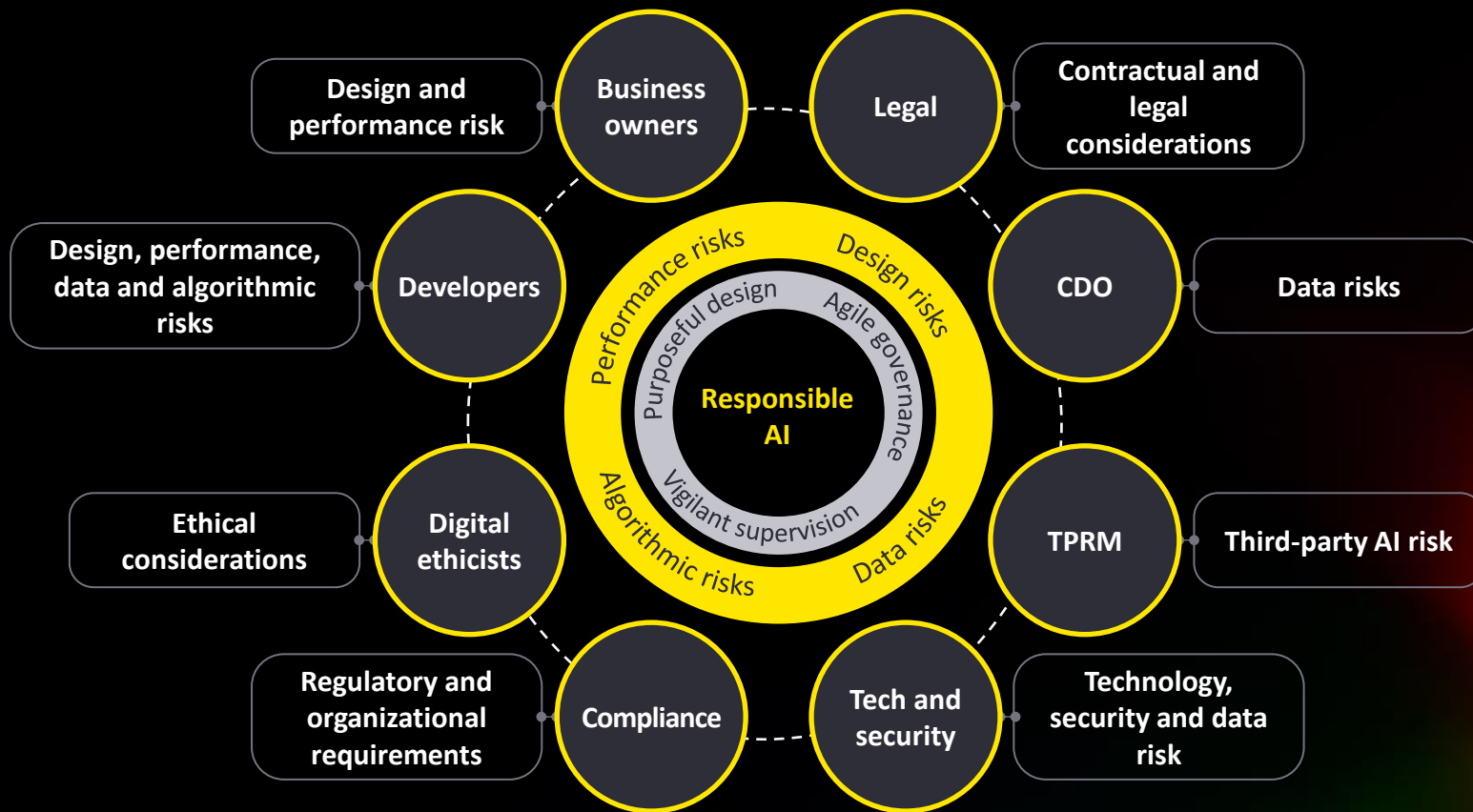
Identifying, assessing and mitigating potential risks associated with AI models, ensuring AI models reliability and compliance

EY has developed a roadmap to securing AI risk management within an institution

A roadmap to establishing robust **AI Risk Management** within an institution



Defining clear roles, responsibilities and governance structures for **AI Risk Management** facilitates a seamless transition from prototype to production



AI Governance Structure



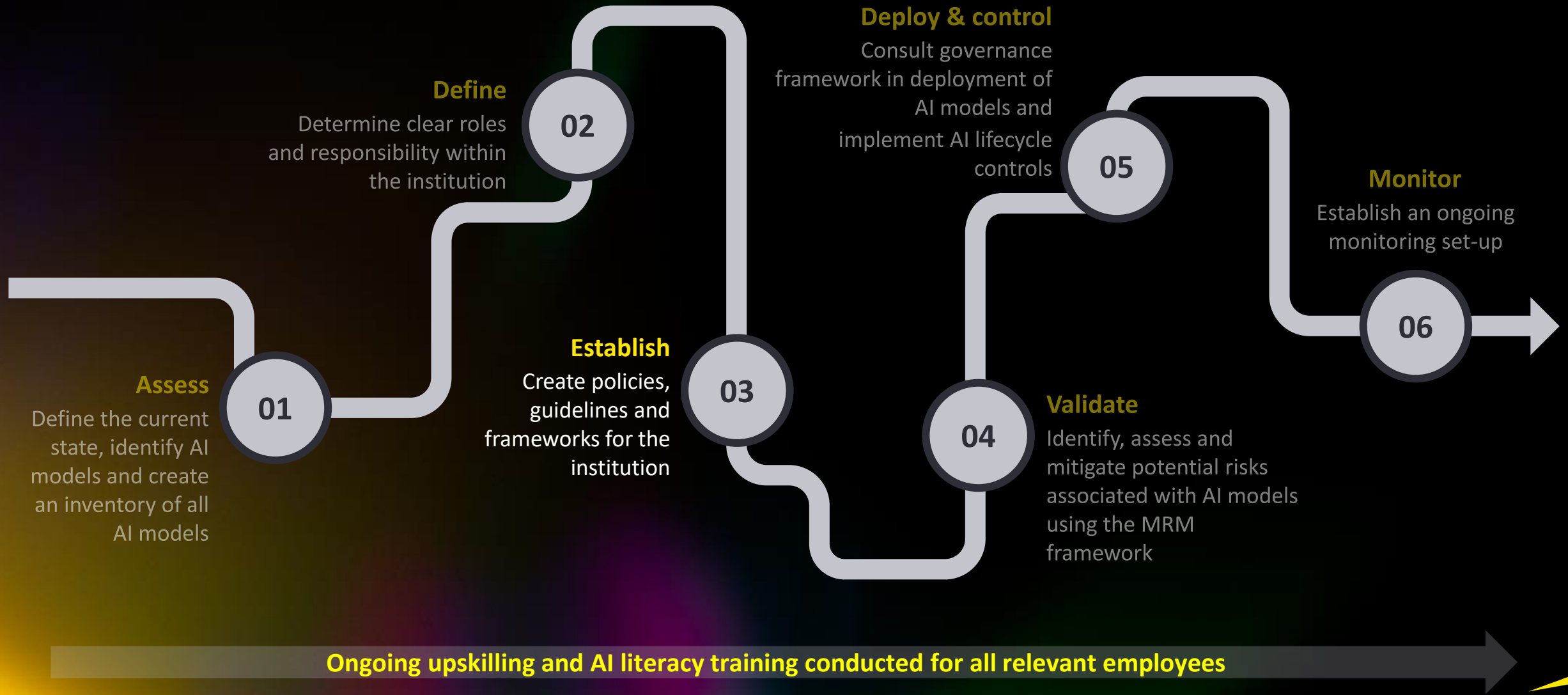
- AI and Data Ethics Committee
- AI Governance Committee
- AI and Digital Ethics Board

Ownership & Management Approach



- AI ownership between the Data Governance Office and Compliance
- Engage the Digital Transformation Office with legal and risk teams
- Involve the Group Digital Office in compliance and risk evaluation

A roadmap to establishing robust **AI Risk Management** within an institution



Establishing policies, guidelines and frameworks for AI risk management is essential for transitioning from prototype to production

AI policies

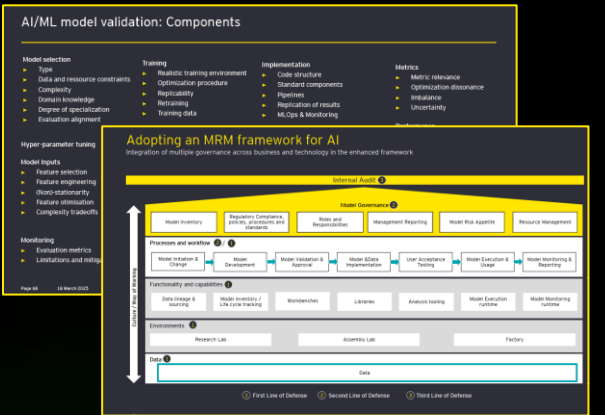
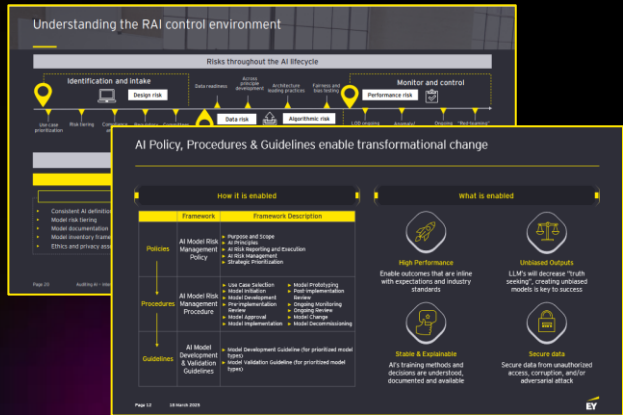
- Purpose and scope
- AI principles
- Risk reporting
- Execution

AI guidelines

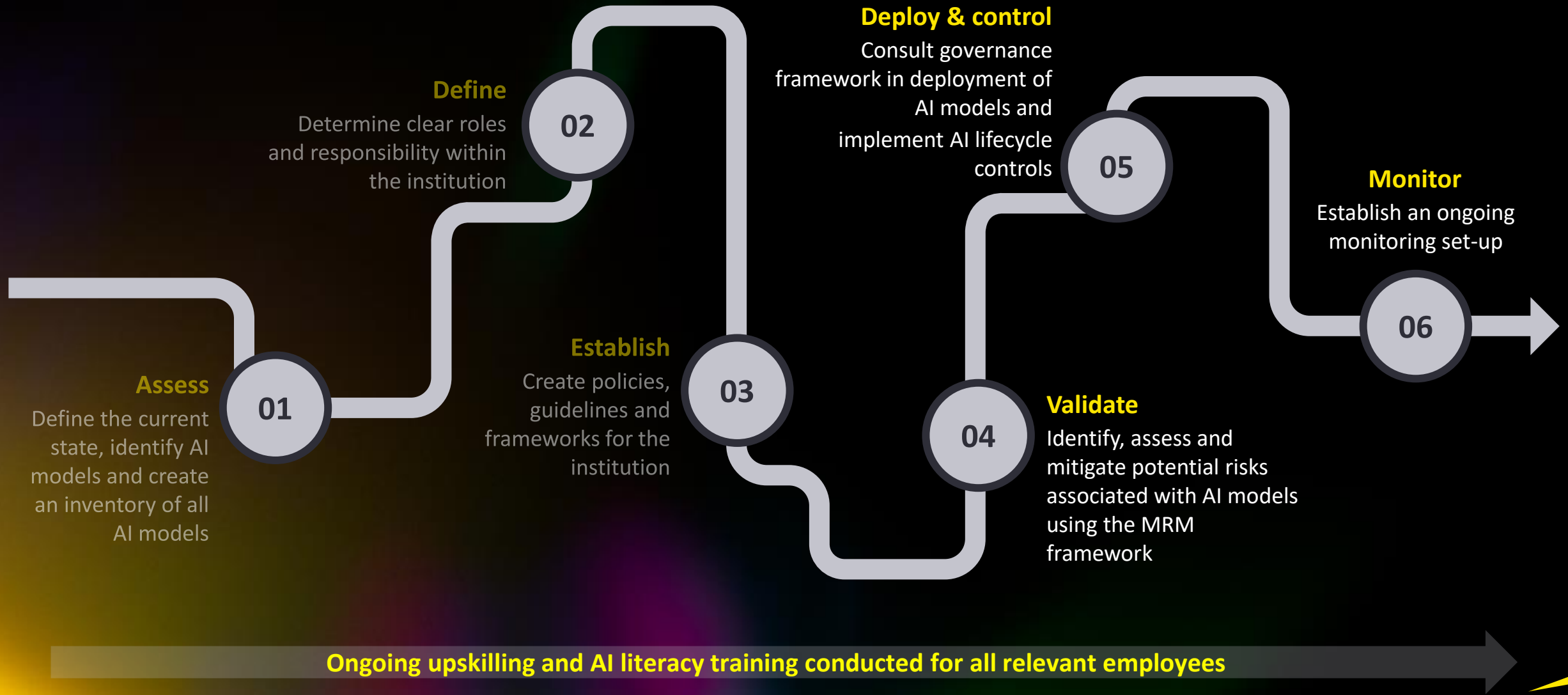
- AI lifecycle processes
- AI literacy
- Risk management

AI frameworks

- Model development
- Model risk management
- Model validation
- Model implementation



A roadmap to establishing robust **AI Risk Management** within an institution



Establishing a robust **model risk management** set-up for **AI models** enables a smooth process from prototype to production

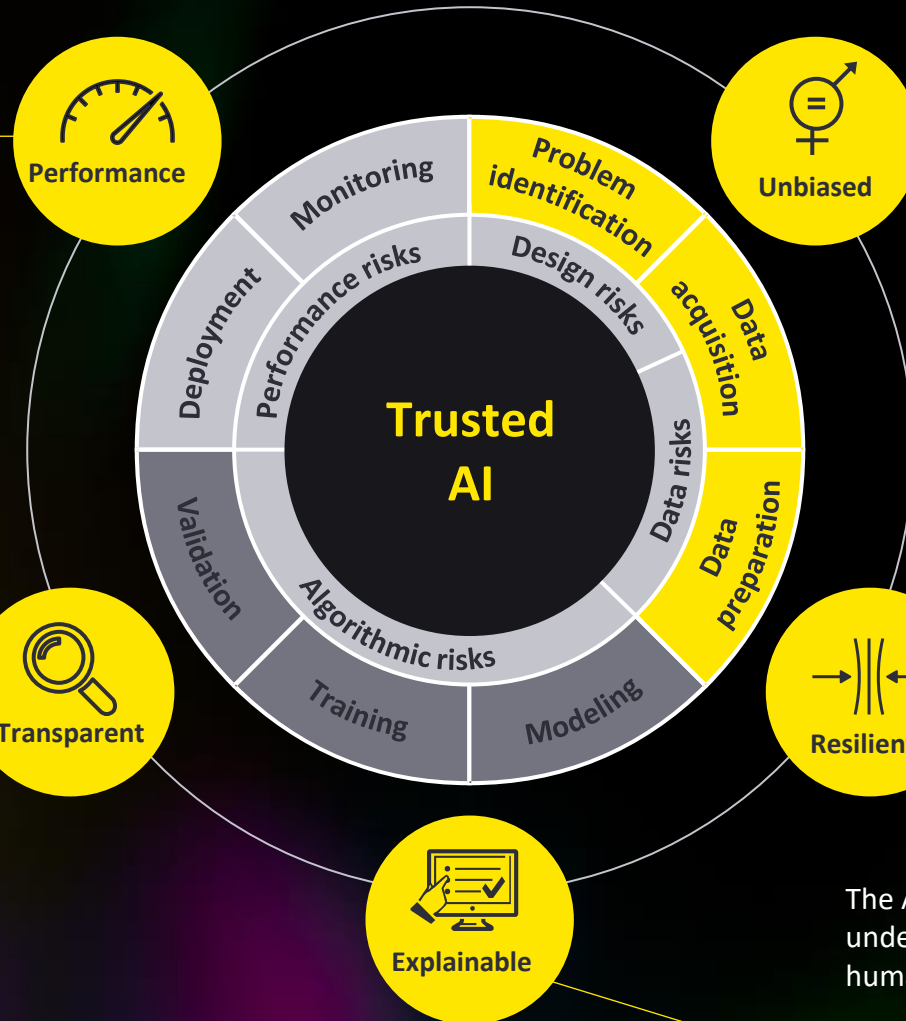
The AI model outcomes are aligned with stakeholder expectations and perform at a desired level of precision and consistency.

The AI model is transparent both in design and when interacting with an end-user. The user should be given appropriate notification and an opportunity to select their level of interaction.

Inherent biases arising from the development team composition, data and training methods are identified and addressed through the AI model design. The AI model is designed with consideration for the need of all impacted stakeholders and to promote a positive societal impact.

The data used by the AI model and the algorithm itself is secured from unauthorized access, corruption and/or adversarial attack.

The AI model training methods and decisions criteria can be understood, is documented and is readily available for human operator challenge and validation.



The role of **AI risk management** in enabling the transition from **Prototype to Production**



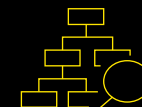
Oversight/Governance

- **Identify all AI systems** in the company
 - Definitions of AI and AI inventory
- All relevant **roles** in scope – D&AI, Risk, Data Governance, Compliance, 3d party risk
- Establish clear **mandate** given to D&AI compliance function
- Ensure all **jurisdictions** are covered



Capabilities

- Ongoing upskilling and **AI literacy** training conducted for all relevant employees
- Both **technical** and **ethical** training courses
- Training courses for both **leadership team** and **other employee**



Model Management

- Establish **frameworks and policies** for AI model risk management
- Ensure a process of **trusted AI models** throughout the AI model lifecycle
- Identify, assess and mitigate **all potential risks** related to AI models
- Implement **controls** throughout the AI model lifecycle

Contacts



Line Løkken

AI Compliance and Governance

Email: Line.Loekken@dk.ey.com

Phone: +45 25 29 33 68



Cecilie Mortensen

AI Model Risk Management

Email: Cecilie.M.Mortensen@dk.ey.com

Phone: +45 25 29 52 54

EY | Building a better working world

EY is building a better working world by creating new value for clients, people, society and the planet, while building trust in capital markets.

Enabled by data, AI and advanced technology, EY teams help clients shape the future with confidence and develop answers for the most pressing issues of today and tomorrow.

EY teams work across a full spectrum of services in assurance, consulting, tax, strategy and transactions. Fueled by sector insights, a globally connected, multi-disciplinary network and diverse ecosystem partners, EY teams can provide services in more than 150 countries and territories.

All in to shape the future with confidence.

EY refers to the global organization, and may refer to one or more, of the member firms of Ernst & Young Global Limited, each of which is a separate legal entity. Ernst & Young Global Limited, a UK company limited by guarantee, does not provide services to clients. Information about how EY collects and uses personal data and a description of the rights individuals have under data protection legislation are available via ey.com/privacy. EY member firms do not practice law where prohibited by local laws. For more information about our organization, please visit ey.com.

© 2025 EYGM Limited.
All Rights Reserved.

ED None

ey.com