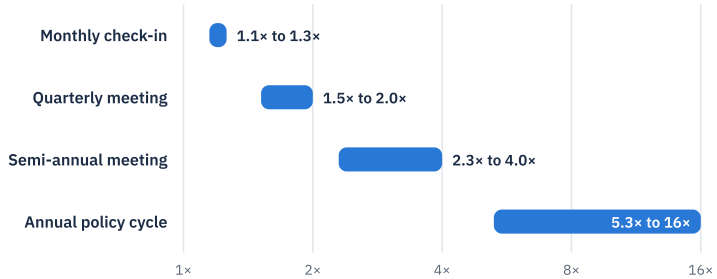
Is Your Board Keeping Up With AI?

Chris B. Kennedy · A call to action for boards and owners of small and mid-sized private companies

AI changes more between two board meetings than governance was built to absorb, and published guidance has not caught up. Boards need questions and checklists they can use at the next meeting.

1 How much AI changes between your meetings



Capability growth between meetings (log scale), at a doubling every 3 to 5 months

AI capability is doubling roughly every 3 to 5 months. A board that meets quarterly governs a picture that is already half out of date; an annual policy can be sixteen times behind.

The binding constraint is no longer the technology. It is how fast the organization, and its board, can absorb change safely.

The governance gap, and what agile oversight looks like: “AI Moves Faster Than Your Board Meets.”

2 The guidance has not caught up

Of 34 director bodies, consultancies, standards setters and regulators benchmarked, how many ask:

Does our oversight cadence keep pace with AI?	4
What can agents do alone, and can we stop them?	5
What P&L impact has AI actually delivered?	5
Who is accountable for AI-produced work?	2
Does AI doing a person's job get their controls?	1
Are our people keeping real expertise?	1
What are we deliberately not funding?	0

For comparison, 16 of 34 ask about identifying and managing AI risk. The FSB's October 2026 sound practices never mention return on investment and call agent practices "nascent."

3 Top AI risks to put on the agenda

RISK	ORGS
Data and privacy leakage. Customer, patient or employee data goes into AI tools.	13
AI-enabled fraud. Cloned voices and fake invoices aimed at owners and approvers.	6
Errors that reach customers. Wrong quotes, notes or claims no one catches.	13
Vendor dependence. Software vendors switch on AI, change terms or fail.	18
Decisions about people. AI shaping hiring, scheduling, pricing or care unchecked.	12
Shadow AI. Staff using free tools on personal accounts.	4

Orgs: outside organizations, of 34, raising the risk.

4 Any framework, plus what AI changes

No bespoke framework is needed. Use the risk habits you already have and borrow structure from the NIST AI Risk Management Framework, then add three things:

- **Human ownership of every control.** Every AI control, human or technical, has a named owner.
- **Velocity oversight.** Oversight, talent and spend, cyber and data controls that move at AI speed.
- **Exponential complexity oversight.** Purpose-built agents, limited to what can still be modeled and stopped.

5 Before your next meeting

1. **Ask the ten questions.** Start with the owners and the one executive who runs AI.
2. **See all the AI.** Include AI switched on inside software you already pay for.
3. **Protect the money.** Call back on a known number, and two approvers, before money moves.
4. **Meet monthly for half an hour.** Owner and AI lead review what changed; the board gets one page twice a year.
5. **Judge the answers.** Mark each one clear, partial or missing, and ask for the evidence.

The full Board AI Toolkit

→ Board AI Checklist (25 items) and framework → Independent review and scorecard → Board and leadership training
→ AI advisory and monitoring → Sample policies, evaluations and evidence guides → Talent assessment and AI hiring

Available through an engagement. See What's Next.

Ten AI Questions for Private Company Boards

Chris B. Kennedy · For small and mid-sized companies outside financial services

How this list was compiled. These ten adapt my Top 10 board questions on AI, which were benchmarked against published board guidance from 34 director bodies, consultancies, standards setters and regulators, for companies without a Chief AI Officer or risk committee, where AI mostly arrives inside software the company already buys. One question is new for this edition: AI-enabled fraud against owners and payment approvers.

Kennedy + N organizations: how many outside organizations ask a version of the question. **Domains:** the governance areas each question covers.

1	Where can AI most improve our margins, customers or growth in the next 12 to 24 months, and what are competitors already doing?	**Kennedy + 13 organizations** Strategy & competition · Value & ROI
2	What has AI actually saved or earned us so far, in dollars, and where did the freed-up time go?	**Kennedy + 4 organizations** Value & ROI · Capital allocation
3	What are we spending on AI tools and subscriptions in total, which ones are we not using, and what are we deliberately not doing?	**Kennedy + 3 organizations** Capital allocation · Value & ROI
4	What AI are our people and vendors already using, including AI inside software we already pay for, and who is responsible for it?	**Kennedy + 18 organizations** AI inventory & ownership · Third parties & concentration
5	What customer, patient or employee data goes into AI tools, and are we keeping our legal and contractual promises about it?	**Kennedy + 8 organizations** Data, privacy & IP · Regulation & compliance
6	Could AI-enabled fraud, such as a cloned voice of an owner or a fake invoice, trick us into moving money, and what stops it?	**Kennedy + 6 organizations** Cyber & security · Risk & controls
7	Where does AI make or shape decisions about customers, patients or employees (pricing, hiring, scheduling, care), and who checks it?	**Kennedy + 13 organizations** Ethics & trust · Agents & autonomy · Regulation & compliance
8	Which vendors would hurt us most if their AI failed or changed its price or terms, and do our contracts and insurance cover it?	**Kennedy + 10 organizations** Third parties & concentration · Risk & controls
9	Are our people trained to use AI well and safely, and how is AI changing the jobs and skills we hire for?	**Kennedy + 16 organizations** Talent & workforce
10	Do the owners and board know enough to oversee AI, who do we call for expertise, and how often do we review it?	**Kennedy + 19 organizations** Board & leadership AI knowledge · Oversight cadence & reporting

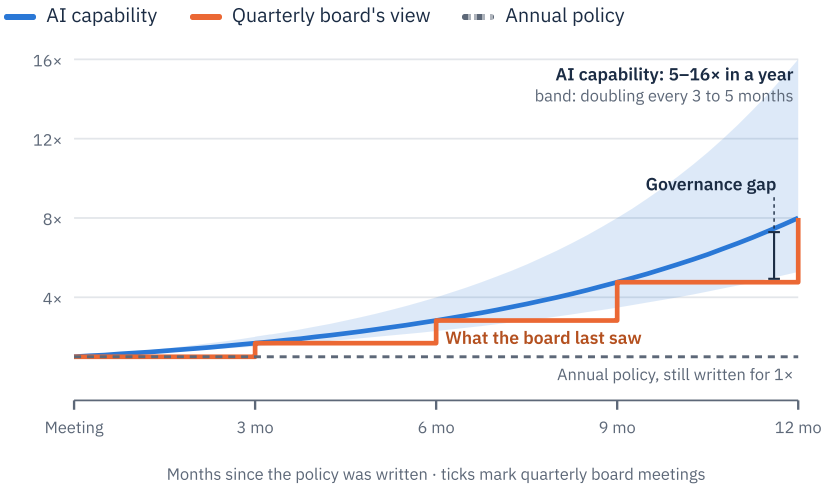
Start here: the first 90 days

1. Name one executive who owns AI.
2. List every AI tool in use, including AI features switched on inside software you already pay for.
3. Adopt a one-page AI-use policy: approved tools, data that never goes into public AI, human review before anything reaches a customer.
4. Require a call-back on a known number and two approvers before money moves.
5. Put AI on the board agenda twice a year with a one-page update.

CHRISBKENNEDY.COM · BRIEFING · VERSION 1.1 · OCTOBER 28, 2026

AI Moves Faster Than Your Board Meets

Chris B. Kennedy · Organizational agility, and what it means for boards that meet quarterly or twice a year



Months since the policy was written · ticks mark quarterly board meetings

The pace

AI capability is doubling roughly every 3 to 5 months. Oversight that updates only at meetings falls further behind with every quarter.

BETWEEN…	CAPABILITY GROWS
Monthly check-in	1.1× to 1.3×
Quarterly board meeting	1.5× to 2.0×
Semi-annual board meeting	2.3× to 4.0×
Annual policy review	5.3× to 16×

What changes between meetings

- Vendors switch on new AI features and agents inside software you already run.
- Attack methods improve: cloned voices, fake documents, automated phishing.
- Rules and guidance change as regulators update their positions.
- New models change what is possible, and what it costs, for work already in flight.
- Competitors launch, and customers' expectations move with them.

The binding constraint is no longer the technology. It is how fast the organization, and its board, can absorb change safely.

What agile oversight looks like

Delegate with guardrails. The board sets principles, risk limits and tiers once; management decides within them between meetings.

Escalate on triggers, not the calendar. A new agent that can move money, a new category of sensitive data, a change to a critical vendor, or an incident comes to the board when it happens.

One page, every meeting. What changed since the last meeting, what management decided under delegation, and what is new on the risk list.

A monthly half hour. A board member or committee chair checks in with the AI owner between meetings.

Six-month policies. Review the AI policy twice a year and give fast-moving rules a sunset date.

Classify by attributes. Autonomy, access, data and consequence let new capabilities fit existing rules without a rewrite.

Pre-approve fast trials, and fast stops. A small trial budget, a time box, and kill criteria agreed in advance.

Keep the board current. A hands-on session each year and an adviser on call, so judgment keeps pace with the tools.

Questions for the board

1. What has changed in our AI use, vendors and risks since our last meeting, and what did management decide under delegated authority?
2. Which AI decisions must come to us between meetings, and what triggers them?
3. How quickly can we adopt a useful new capability safely, and how quickly can we stop one?
4. Is our policy review cycle faster than the rate of change in our AI portfolio?
5. What limits how fast we can absorb AI today: people, process, data, vendors or approvals?

A gap in published guidance. Only 4 of the 34 organizations benchmarked in this research ask whether oversight cadence keeps pace with AI (Financial Stability Board, ISO/IEC, NIST, World Economic Forum). The FSB treats adaptability as training, specialists and risk culture; necessary, but not a cadence. Applies to private companies too: for owner-led firms, the monthly half hour and the trigger list do most of the work. chrisbkennedy.com · Version 1.1 · October 28, 2026

What's Next

Chris B. Kennedy · From questions to action, and how I can help

1 Before your next meeting

STEP 1

Ask the ten questions

Put them to management at your next meeting and note where the answers are thin.

STEP 2

Judge the answers

Mark each answer clear, partial or missing, and ask to see the evidence behind it.

STEP 3

Review the gaps

Decide which gaps the board closes itself and where outside help is faster.

2 Start with a Board AI Readiness Review

Where every engagement starts: we go through your answers to the ten questions together, see where the board stands, and agree which gaps matter most.

Start a conversation: chrisbkennedy.com/contact

3 Then choose where to go: assess, design, advise

	INDEPENDENT REVIEW AND SCORECARD **Assess**	OPERATING MODEL, REPORTING AND DECISION RIGHTS **Design**	ONGOING BOARD-LEVEL AI PERSPECTIVE **Advise**
Independent review of management's answers to the ten questions	●	–	–
Scorecard across 14 governance domains	●	–	●
Interviews with directors and executives	●	●	–
Blind spots and priorities, in one page for the board	●	–	●
Competitor and vendor assessment	●	–	–
Talent assessment: AI skills across leadership and key teams	●	–	–
Sample guidance: evidence requests, evaluations, policies and scoring	●	●	–
AI operating model and decision rights	–	●	–
Board reporting: dashboard or one-page update	–	●	–
Committee roles, charters and policies	–	●	–
Management response plan and AI incident response	–	●	–
Board and leadership training and workshops	–	●	●
Support hiring for AI roles	–	●	●
AI adviser to the board or owners, on call	–	–	●
Monitoring: briefings between meetings on what changed	–	–	●



ABOUT THE AUTHOR

Chris B. Kennedy Enterprise Operator. Advisor. Educator.

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- Managing Director, Strategic Technology and AI, Regions Bank
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- Founding head of AI risk management at a regulated regional bank
- 10+ years teaching AI and analytics at Duke Fuqua and UNC Kenan-Flagler
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Who Asks Each of the Ten AI Questions

Chris B. Kennedy · 30 outside organizations, mapped to the questions their published board guidance asks

A mark means the organization's published board guidance asks a version of that question. Organizations are ordered by how many of the ten they ask. Columns follow the numbering in “Ten AI Questions for Private Company Boards.”

ORGANIZATION	TYPE	1 Margins and growth	2 Realized savings	3 AI spend	4 AI in use and owners	5 Data and promises	6 AI-enabled fraud	7 Decisions about people	8 Vendor dependence	9 Skills and jobs	10 Board knowledge and cadence	Of 10
Egon Zehnder	Consultancy	●	·	●	●	●	●	●	·	●	●	8
World Economic Forum	Director body	●	●	●	●	·	·	●	●	●	●	8
NACD	Director body	●	·	·	●	●	●	·	●	●	●	7
Center for Audit Quality	Professional body	·	·	·	●	●	●	●	●	●	·	6
KPMG	Consultancy	●	·	·	·	·	●	●	●	●	●	6
AICD	Director body	·	·	●	●	●	·	·	·	●	●	5
Financial Stability Board	Regulator	·	·	·	●	·	●	●	●	·	●	5
Forbes	Media	●	●	·	·	·	·	·	●	●	●	5
Institute of Directors (UK)	Director body	·	·	·	●	●	·	●	·	●	●	5
Institute of Directors New Zealand	Director body	●	·	·	●	·	●	·	·	●	●	5
NIST	Standard	·	·	·	●	●	·	●	·	●	●	5
Sidley Austin	Law firm	●	·	·	●	·	·	●	·	●	●	5
BCG	Consultancy	●	●	·	●	·	·	·	●	·	·	4
Deloitte	Consultancy	●	·	·	●	·	·	·	·	●	●	4
Grant Thornton	Consultancy	●	·	·	●	·	·	●	·	●	·	4
US Treasury	Regulator	·	·	·	●	●	·	●	●	·	·	4
EY	Consultancy	●	·	·	·	·	·	·	·	●	●	3
McKinsey	Consultancy	●	·	·	●	·	·	·	·	·	●	3
European Union	Regulator	·	·	·	·	·	·	●	·	●	·	2
FS-ISAC	Industry body	·	·	·	●	·	·	·	·	●	·	2
PwC	Consultancy	●	·	·	·	·	·	·	●	·	·	2
Russell Reynolds Associates	Consultancy	·	·	·	●	·	·	·	·	·	●	2
SEC Investor Advisory Committee	Regulator	·	●	·	·	●	·	·	·	·	·	2
US bank regulators (Fed/OCC/FDIC)	Regulator	·	·	·	●	·	·	●	·	·	·	2
Diligent	Governance research	·	·	·	·	·	·	·	·	·	●	1
FINRA	Regulator	·	·	·	·	·	·	●	·	·	·	1
Gartner	Research and advisory	·	·	·	·	·	·	·	●	·	·	1
ISO/IEC	Standard	·	·	·	·	·	·	·	·	·	●	1
MIT Sloan Management Review	Media	·	·	·	·	·	·	·	·	·	●	1
The Institute of Internal Auditors	Professional body	·	·	·	·	·	·	·	·	·	●	1
Organizations asking		**13**	**4**	**3**	**18**	**8**	**6**	**13**	**10**	**16**	**19**	