Financial AI Governance Charter Playbook (Sample)

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1. Governance Charter

Purpose:

This playbook establishes the governance structure, principles, and controls for AI systems in financial institutions, with specific focus on customer-facing AI Customer Agent projects.

Scope:

- Applies to all AI-driven customer service systems that access customer account information, SLA policies, and mobile self-service platforms.
- Covers end-to-end lifecycle: data sourcing, model development, deployment, monitoring, and retirement.

Principles:

- Fairness: AI must provide unbiased responses regardless of customer demographics.
- Accountability: Business and risk owners remain accountable for chatbot outcomes.
- Transparency: Customers must be informed when they are interacting with AI.
- Privacy & Security: Chatbot must only access authenticated customer data, protected by encryption and strict access controls.
- Oversight: Governance bodies must review and approve AI deployments prior to launch.

Governance Bodies:

- AI Steering Committee – reviews and endorses projects.
- Risk Oversight Board – ensures compliance with financial regulations.
- Data Ethics Panel – reviews fairness, bias, and ethical concerns.

2. Compliance & Policy Alignment Matrix

Policy / Regulation	Applicability	Control Implemented	Owner/Reviewer
Data Protection (GDPR, PDPA, etc.)	Handling customer account data	Data minimisation, encryption, DPIA conducted	Data Protection Officer

Banking Secrecy / Confidentiality	Access to account details	Role-based access, audit logs	Compliance Officer
IT & Cloud Security Policy	Cloud hosting of chatbot services	Penetration testing, ISO27001 compliance	CISO / Tech Risk
MAS FEAT Principles (if Singapore)	AI fairness & explainability	Bias testing, SHAP explainability reports	Risk & Ethics Committee
Model Risk Management (MRM)	All AI models used in production	Independent validation, drift monitoring	Risk Management
AI Ethics Guidelines (internal/external)	Customer-facing AI	Transparency notices, human escalation	Data Ethics Panel

3. Data Governance Documentation

Data Inventory & Lineage:
  - Training data: FAQs, SLA docs, anonymized sample customer queries.
  - Input data: Customer account info (secured via API, with authentication).
  - Lineage documented for audit and compliance.

Data Protection Impact Assessment (DPIA):
  - Assesses risks of exposing account data.
  - Defines retention periods and access controls.

Bias & Fairness Testing Report:
  - Accuracy tested across customer languages, age groups, and customer segments.
  - Correctness benchmark: ≥ 95%.

4. Model Risk & Validation Report

- Development Documentation:
  - Model training approach, datasets, tuning parameters.
  - Explainability framework: SHAP values to justify chatbot outputs.

Validation:
  - Independent validation team confirms chatbot responses are aligned with SLA policies and accurate account information.
  - Stress test: Chatbot tested under peak load and edge cases.

Version Control & Audit:

- Every model release documented and logged for audit purposes.

5. AI Risk & Incident Management Protocol

Risk Register:

- Operational risk (downtime, incorrect responses).
- Compliance risk (breach of banking secrecy).
- Reputational risk (misleading answers).

Incident Response:

- Escalation to human agent if chatbot is uncertain or query involves regulated advice.
- Protocol for handling AI errors (logging, analysis, remediation).

Customer Complaint Handling:

- Dedicated escalation path if customers report chatbot errors.
- Complaints reviewed by compliance within 5 business days.

6. Monitoring & Reporting Framework

KPIs:

- Response Accuracy ≥ 95%.
- SLA Compliance: Response time ≤ 3 seconds.
- Escalation Success = 100% when required.

Performance Dashboard:

- Real-time monitoring of chatbot accuracy, escalation rates, and customer satisfaction.

Review Cycle:

- Quarterly reporting to AI Steering Committee & Risk Oversight Board.
- Annual review presented to Board of Directors.

Conclusion

This AI Governance Charter Playbook provides financial institutions with a structured and practical governance framework to responsibly implement AI-powered agents. It ensures compliance, ethical use, and stakeholder trust while enhancing customer service efficiency.