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Deloitte Global Boardroom Program

Governance of AI: A critical imperative for today's boards

2nd edition

Progress on AI, but room to accelerate

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Foreword

AI represents an age-defining opportunity for society and business. And right now, most companies are moving at the pace of organizational change, not the pace of the technology itself. The spotlight is on organizations to close the gap and rapidly harness the full potential of new technologies in a way that both enhances their performance and positively impacts their stakeholders.

Balancing the opportunities and risks of AI is therefore becoming central to boards' governance and stewardship responsibilities. Their oversight can ensure AI adoption drives performance and resilience while aligning with organizations' ethical standards and long-term vision for a trustworthy future.

The stakes are high. Poorly implemented AI can have far-reaching consequences, eroding trust and damaging reputations. Conversely, [Trustworthy AI™](#) can transform organizations and communities for the better.

For many organizations, this transformation is still in its early stages—but overall, awareness of AI and the importance of its oversight has grown. Findings from this second edition of *Governance of AI: A critical imperative for today's boards* show a growing impetus for action. Boards recognize the need to accelerate education and adoption and are making strides toward embedding AI in their agendas and in their conversations with a broader set of C-suite executives.

Despite this progress, the results also indicate that the focus on AI governance should accelerate. Technology evolution was a challenge when it was measured in years, but the advancement of AI is happening much faster, including the shift toward agentic and physical AI. Boards that recognize the opportunities and risks AI brings, and their responsibility in governing them, can help position their organizations for success in this new and exciting future.

To help board members embrace this responsibility and guide their organizations forward, this report proposes key questions they should ask of themselves and their management teams. As Chairs and boards, we may not have all the answers, but our strength lies in asking the right questions.



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Defining the opportunity: Key themes from the survey



31%

say AI is not on the board agenda

AI not always on the agenda, but improving: Nearly one-third (31%) of respondents say AI is not on the board agenda. In the previous survey, 45 percent said the same (a change of 14 percentage points).



66%

say their boards don't know enough about AI

More boards getting up to speed on AI: Two-thirds of respondents (66%) say their boards still have "limited to no knowledge or experience" with AI. However, this is an improvement from the 79 percent who said the same in the previous survey (a change of 13 percentage points).



33%

think boards are not spending enough time on AI

An increase in the time boards spend on AI: One-third (33%) of respondents are "not satisfied" or "concerned" with the amount of time their boards devote to discussing AI. However, that represents a decrease of 13 percentage points from the previous survey when nearly half said the same (46%).



40%

are rethinking board composition due to AI

AI's influence on board makeup: Two out of five respondents say AI has caused them to think differently about their boards' makeup—a slight increase (4 percentage points) from the previous finding.

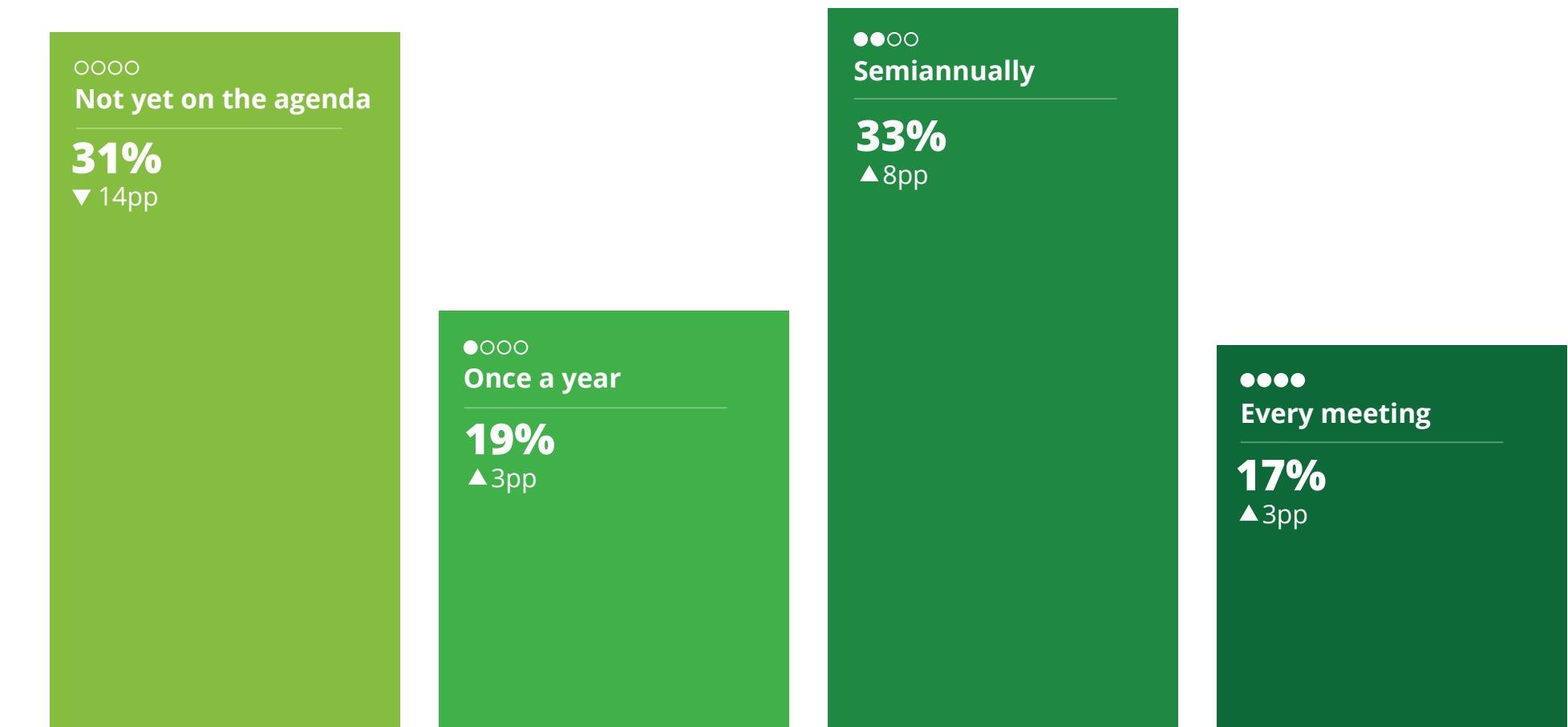
In the context of this report, the term "AI" is used broadly to encompass all forms of artificial intelligence, including but not limited to Generative AI. This includes machine learning, natural language processing, computer vision, and other AI technologies.

Slowly but surely: AI increasingly on the board agenda

More boards are putting AI on the agenda. In this latest survey, almost one-third of respondents (31%) said AI is not on the board agenda, which represents a 14 percentage point decrease from the previous edition. While fewer than one in five boards (17%) address it at every meeting and 19 percent take it up only once per year, this is still progress. In a rapidly evolving digital landscape, proactive board engagement on AI will likely be critical. **As AI becomes an integral part of business strategy, boards that are slow to prioritize AI on the agenda risk falling behind or missing out on opportunities for innovation, efficiency, and market leadership.**

While AI is increasingly being discussed in boardrooms, nearly one-third say it is still not on the board agenda

How frequently AI is a topic on respondents' board agendas



Note: n = 695

Source: Deloitte Global Boardroom Program AI/GenAI board governance survey, January to February 2025.
All changes are as compared to the previous survey, May to July 2024; pp = percentage point.

Board considerations for the boardroom agenda

Overseeing a company's AI adoption and its related opportunities and risks requires a board to first understand the company's current AI maturity. Questions for the board to consider in this area, especially if they are looking to add it to the board agenda, might include:



Do management and the board understand how AI is impacting or will impact the company, whether directly or indirectly?



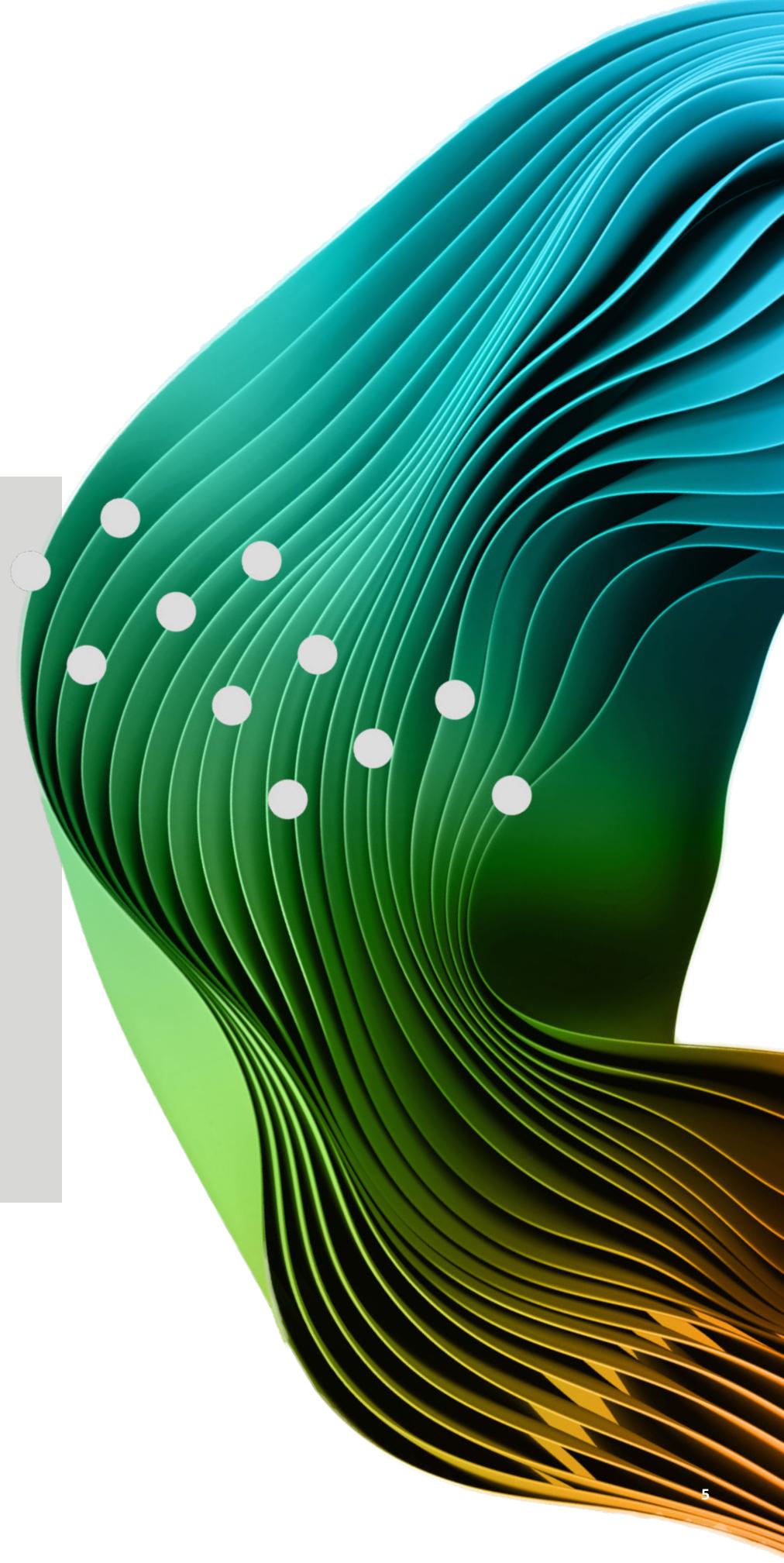
Is there an "inventory" of how the company is currently leveraging—or potentially missing opportunities to leverage—AI?



Does management have an emerging technology and AI strategy for how they plan to utilize AI in strategic objectives and functional areas—incorporating both operational excellence and marketplace solutions? Does the board understand the risks and opportunities associated with the strategy?



Does the board have a clear vision of how AI initiatives will be overseen across the governance structure?



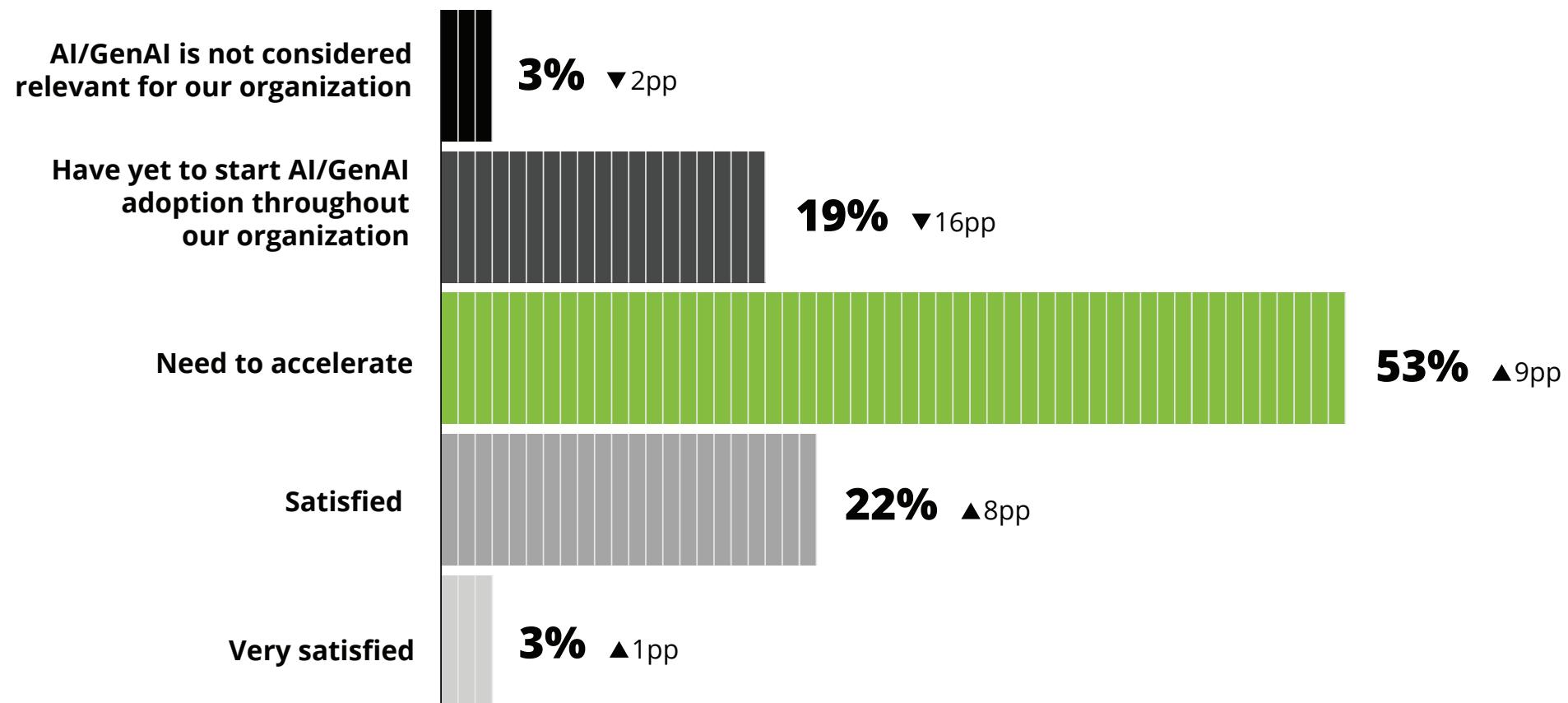
Pace of AI adoption: Boards see the need for acceleration

At a time where technological advancements, commercial applications, and regulatory activities are rapidly evolving, it is crucial for organizations to adopt at pace. The latest survey findings underscore the importance of prioritizing AI adoption to harness AI's transformative potential for operational efficiency and strategic advantage.

How do board members and top executives assess their own organizations' pace of AI adoption? Just over half (53%) of respondents feel the need to accelerate efforts while only one-quarter (25%) are "satisfied" or "very satisfied."

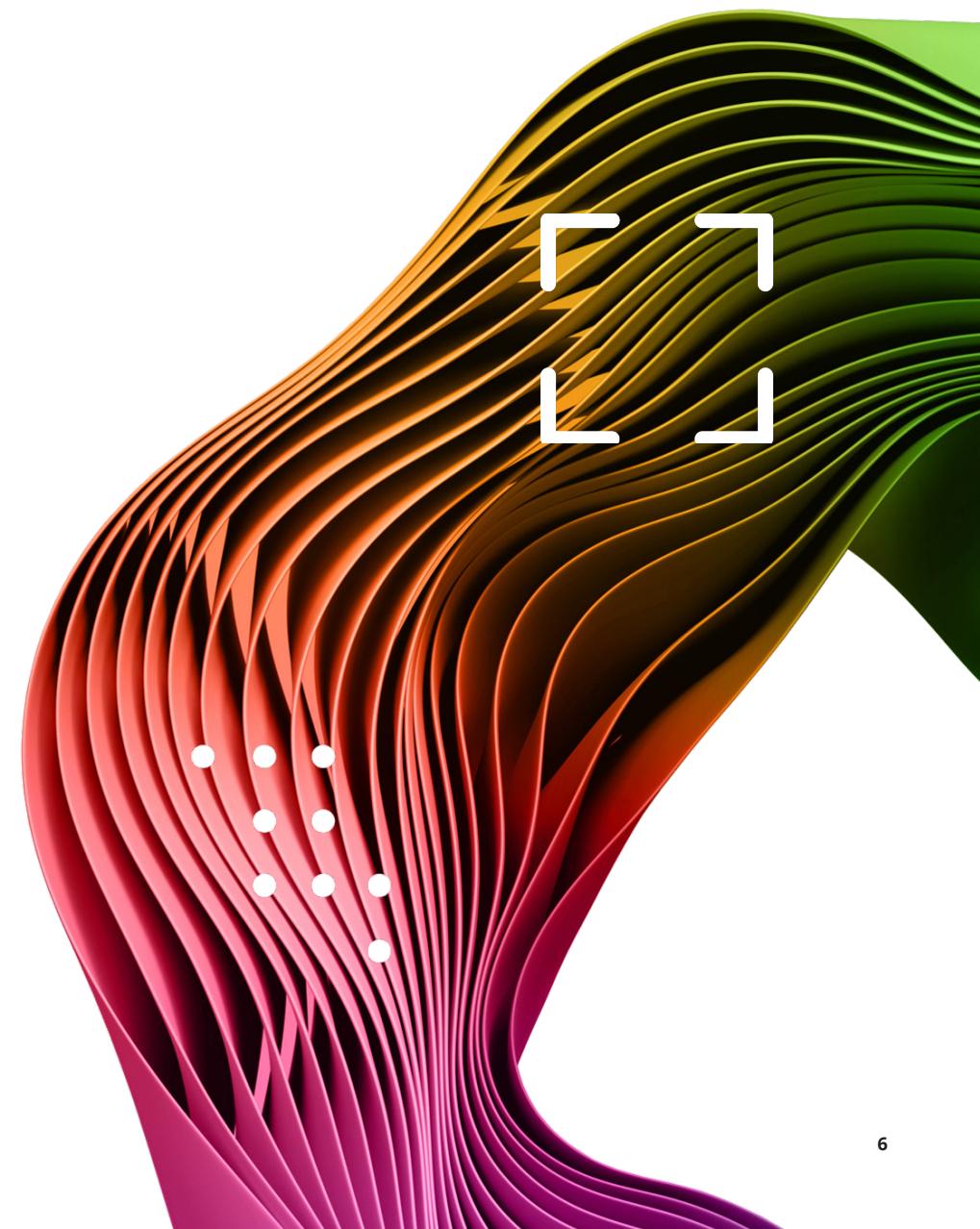
Despite more organizations beginning their AI adoption journeys, only a quarter of respondents are satisfied with the pace, and a majority want to accelerate

How would you characterize the pace of adoption at your organization?



Note: n = 695

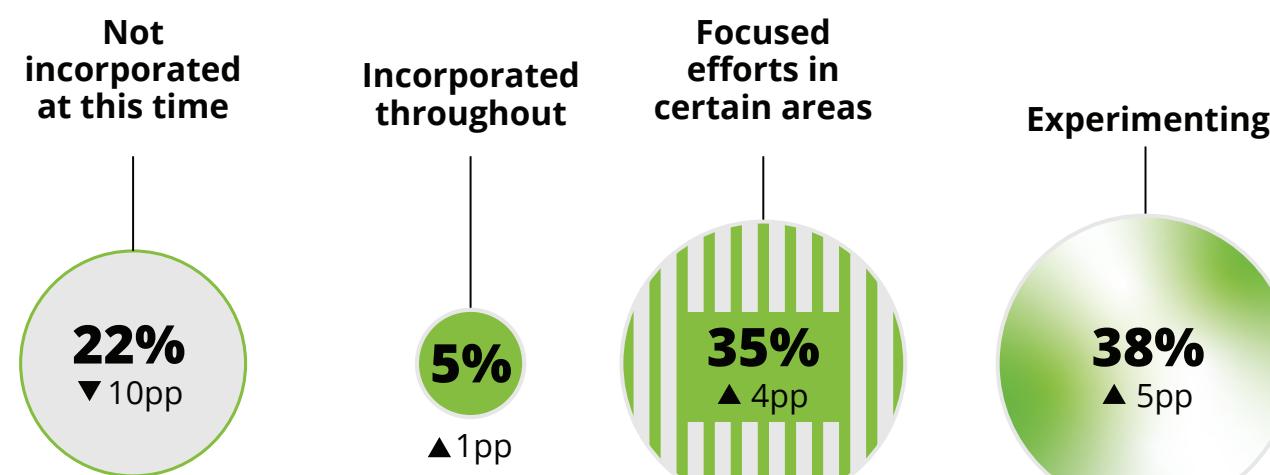
Source: Deloitte Global Boardroom Program AI/GenAI board governance survey, January to February 2025.
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What about progress to date? Only 5 percent of respondents report that AI is incorporated into their business and operating plans going forward. Nearly 40 percent are experimenting with the technology (38%) or focusing in specific areas (35%). In the previous survey, about one-third (32%) said AI was not incorporated into their operating plans at all, but this time only about one-quarter (22%) said the same.

More organizations are building AI into their business and operating plans, but *nearly a quarter* have yet to do so

To what extent is AI built into next year's business and operating plan?



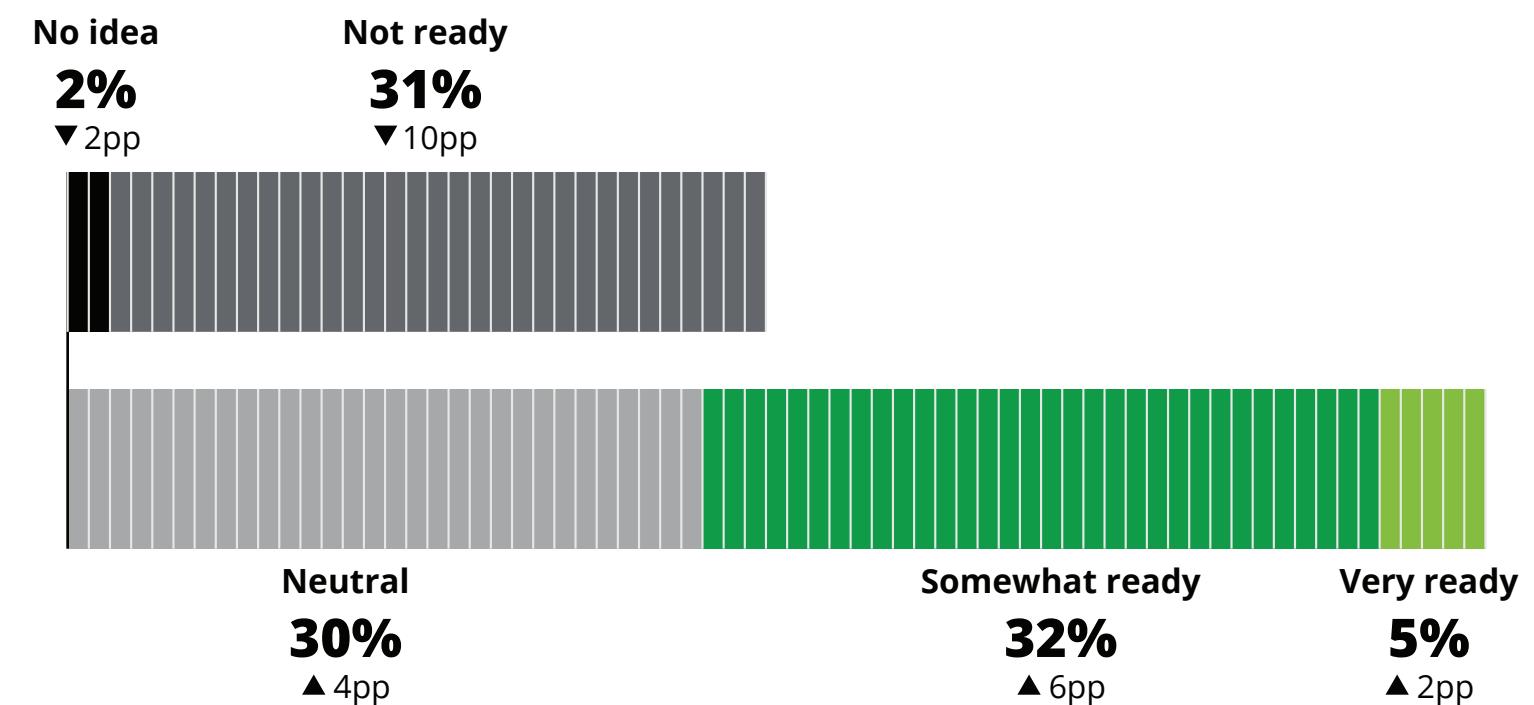
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In terms of preparedness, almost one-third of respondents (31%) say their organizations are not ready to deploy AI. In the previous survey, that figure was 41 percent, which marks a notable increase in preparedness levels. About one-third (32%) are "somewhat ready" and only 5 percent are "very ready," both of which are slight increases from the previous survey. Similarly, [Deloitte's State of Generative AI in the Enterprise Q4 2024 report](#) report finds that organizations have improved their preparedness in the critical areas of technology infrastructure and strategy, but preparedness has seemingly not improved in the critical area of risk and governance.

Although more organizations say they are ready to deploy AI, *nearly a third* still say they are not

How would you describe your organization's readiness to deploy AI?



Board considerations for the pace of adoption

Boards can start by thinking about their role in governing strategy execution and risk management—overseeing and challenging management to identify when and how the strategy may need to be adapted in response to risks and opportunities. Questions for the board to consider include:



Has management developed a comprehensive strategy for AI adoption and integration? Does the strategy consider applicable resources and capital, pace of adoption, performance metrics, involvement of third-party vendors, and emerging market trends and AI developments?



How does management evaluate risks and opportunities related to AI, and how is the evaluation incorporated within the AI strategy? This includes assessing the risks and opportunities of both using and not using AI, as well as considering the speed of adoption.



Has management properly defined the organization's risk appetite regarding AI initiatives and broader AI use throughout the organization?



What is the risk to the organization of existing or emerging competitors leveraging AI—now and into the future?



How are identified risks being addressed, and what monitoring and reporting processes are in place to facilitate the board's oversight?

Opening the communication channels

While the data shows boards are willing to take the initiative on AI, they cannot take a siloed approach in doing so. By interacting with executive leaders in key parts of the organization, boards can help connect direction and strategy with actions and outcomes. The latest pulse survey finds that AI-related interactions between the board and the C-suite are strong when it comes to the Chief Executive Officer (CEO) and executives responsible for technology, and growing more frequent with other CXOs.

When asked which management team members their boards were talking to about AI, an overwhelming majority of almost three-quarters (72%) mentioned the Chief Information Officer (CIO) and Chief Technology Officer (CTO), and over half mentioned the CEO. Those roughly track with the previous survey's replies.

The new survey also shows continued interaction with other top executives, which could indicate a recognition that AI strategy requires a holistic, integrated viewpoint. For example, 27 percent of boards engage on AI with their Chief Financial Officers (CFOs) and 12 percent engage with their Chief Information Security Officers (CISOs) and Chief Risk Officers (CROs) respectively. Only 8 percent of respondents said their boards do not engage with management on AI at all, down by 5 percentage points from the last survey.

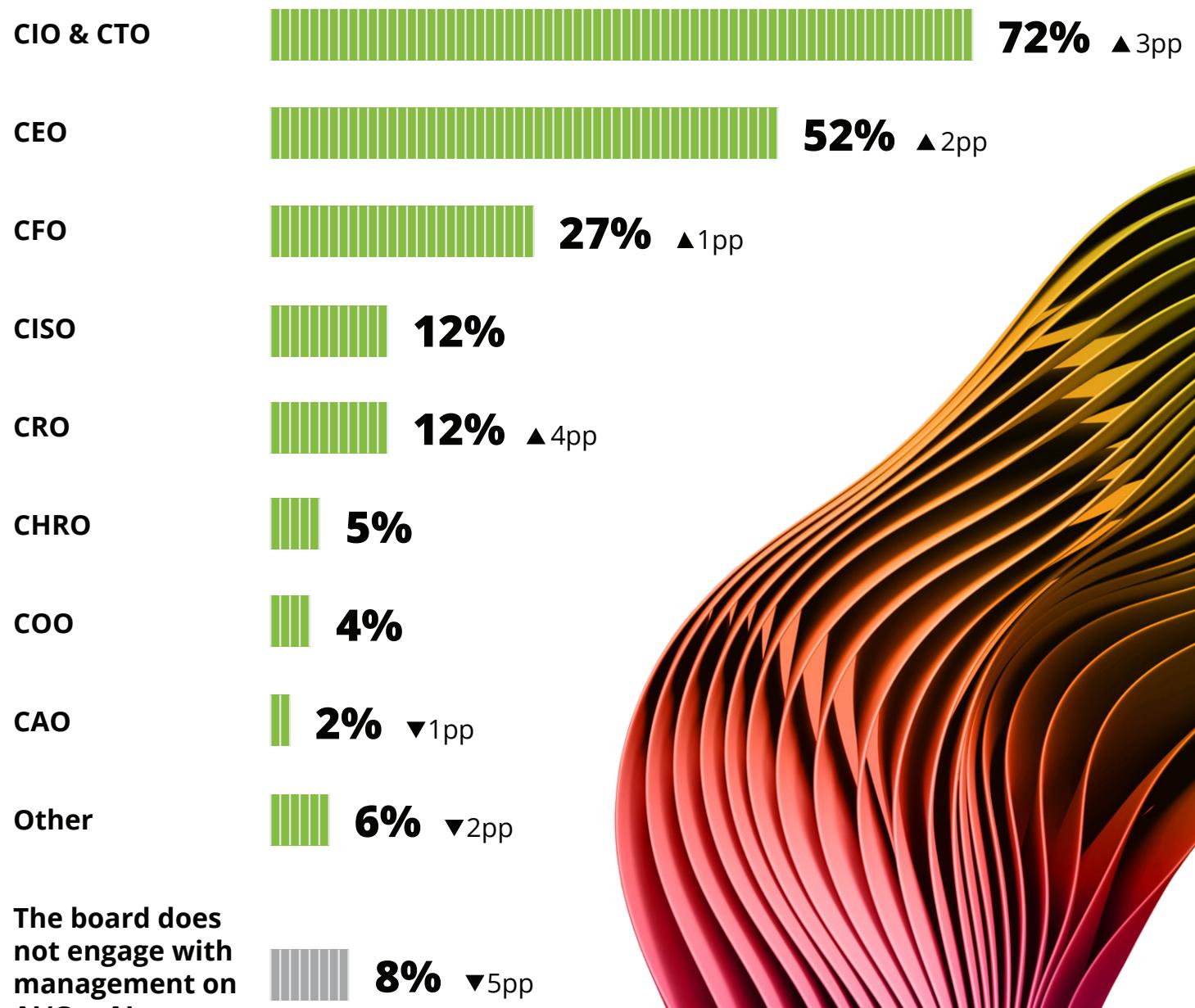
As elsewhere, much of the story is still unfolding, but more top organizational leaders are having these conversations. **By fostering these conversations, boards can move AI initiatives from theoretical discussions to practical applications. Failure to open these communication channels could result in fragmented strategies or an inability to fully leverage AI's potential within the organization.**

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Boards mainly engage with technology leaders and the CEO on AI, but interactions across the C-suite are increasing

With whom on the management team is your board primarily engaging with on AI? (multiple answers allowed)



Board considerations for opening communication channels

In governing AI, the board can work with management and oversee the governance framework, oversight roles, and leadership and management structure. Questions for the board to consider include:



Are changes to board structure (i.e., allocation of responsibility to new or existing committees) necessary to facilitate effective AI oversight?



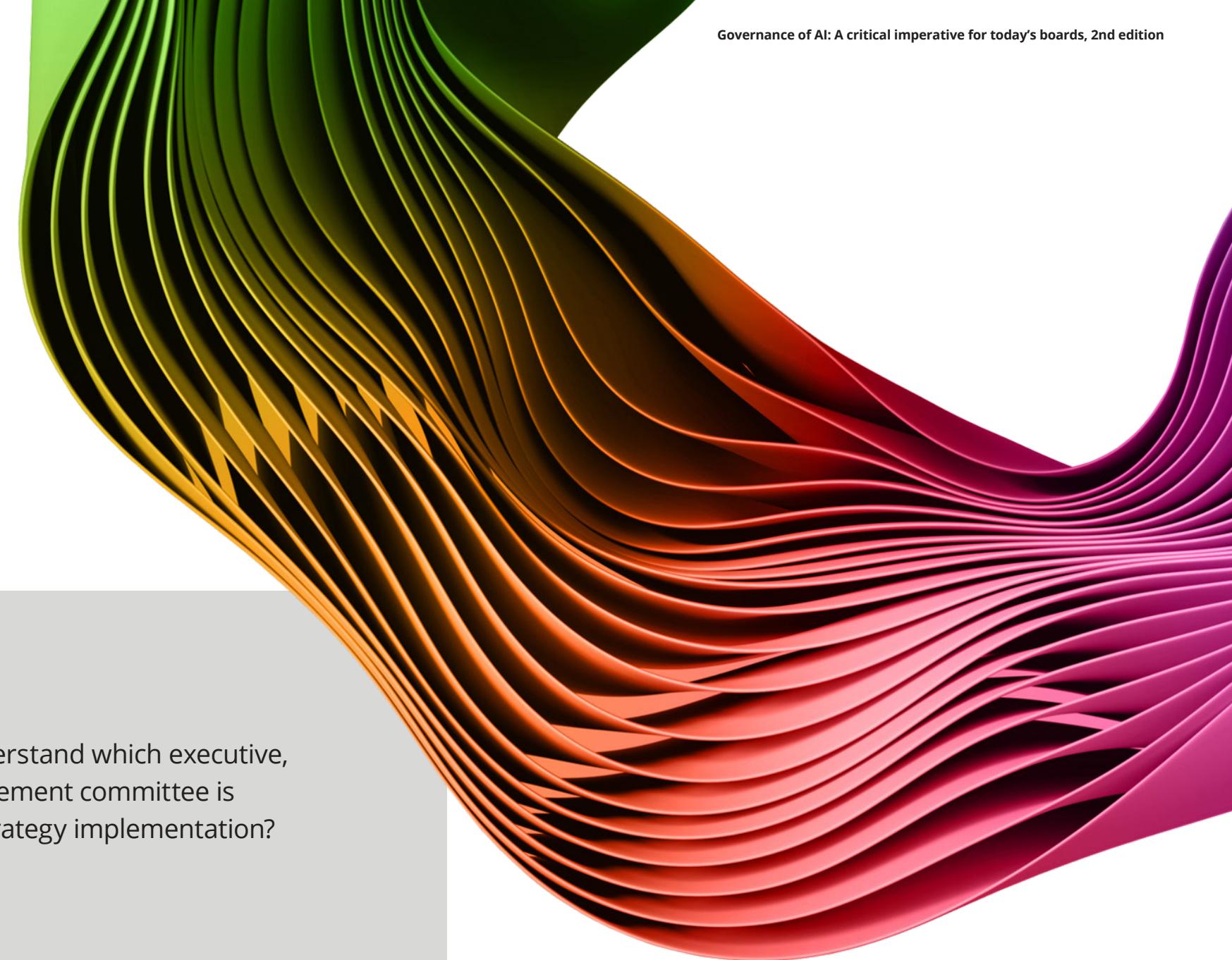
Does the board understand which executive, team, and/or management committee is responsible for AI strategy implementation?



Does management have a governance framework or supporting policies over the use, development, and integration of AI within the organization? How does it incorporate concepts of responsible innovation or [Trustworthy AI™](#)?



Does the board have a clear understanding of who in management will report to the full board or committees overseeing AI strategic initiatives and how often?



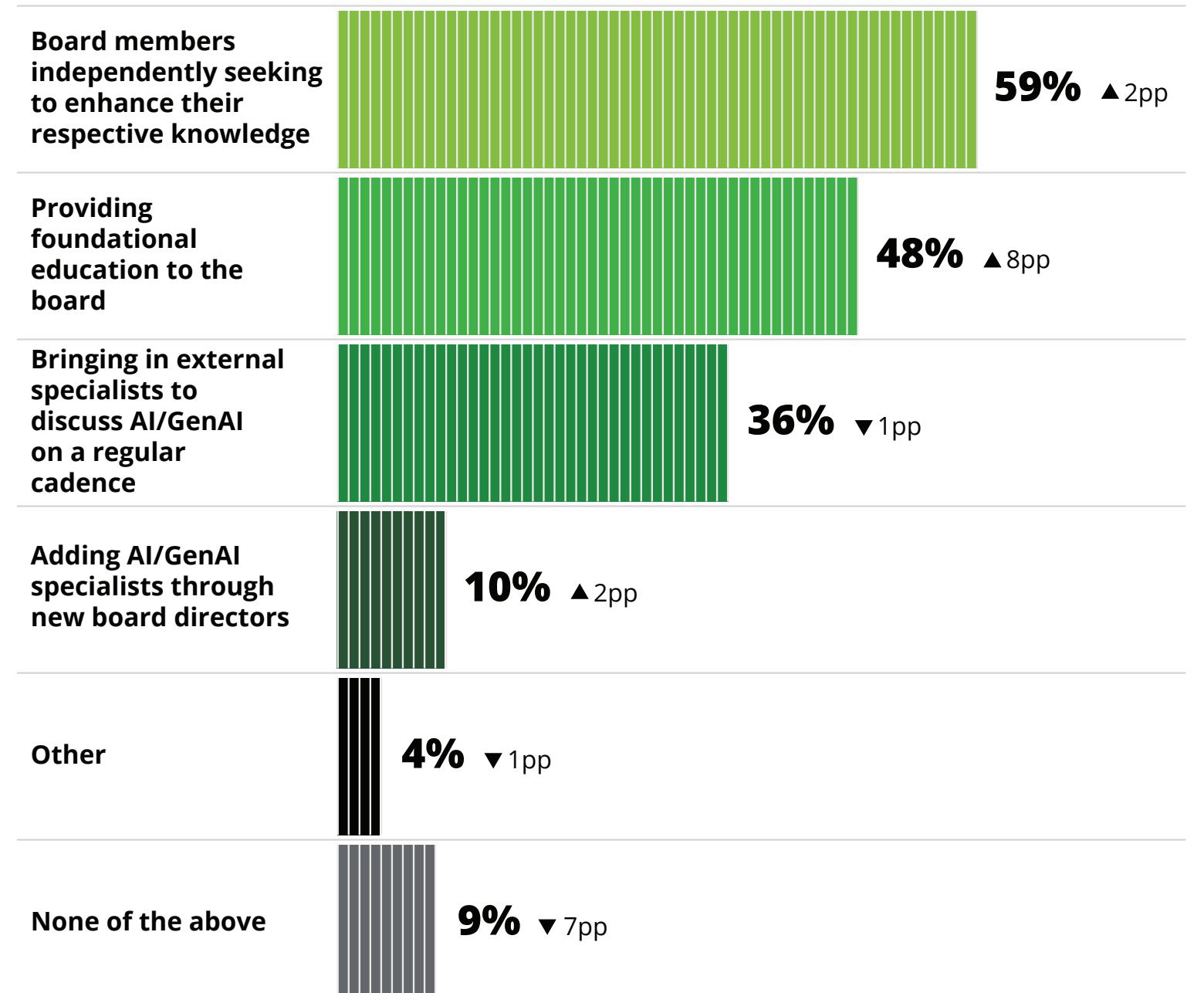
Board members show curiosity

In light of the finding that two-thirds of board members and executives in the survey reported limited to no AI knowledge and experience, there appears to be a case for prioritizing more learning at the leadership level. Roughly half of the leaders surveyed said their organizations are providing foundational AI education to their boards—which, even though it represents an 8 percentage point increase from the previous survey, still means the other half are not.

At the same time, many individual board members are taking the initiative: 59 percent of individual board members report they've sought to enhance their AI knowledge on their own. That aligns with the low percentage (25%) of board members who are satisfied with AI's place on the agenda. It might indicate welcome initiative, but it may suggest that AI training and education are not being coordinated in a consistent way. **Without a comprehensive approach to AI education, boards may struggle to fully grasp AI's strategic importance. Ensuring all board members are well-versed in AI will be crucial for driving informed board discussion and decision-making.**

Boards are increasingly exploring various avenues to enhance AI fluency

Actions respondents say their boards are taking (multiple answers allowed)



Note: n = 695

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Board considerations for AI fluency

Boards will need to stay informed on AI developments relevant to their industry and the company specifically. Questions for the board to consider include:



Based on the extent of AI use or adoption in the organization, does the board have the appropriate experience(s) to support effective oversight of AI—including the capabilities to support and challenge management?



Does board composition need to be adjusted to recruit board members with more experience with AI and emerging technologies? What about company leadership?



What training and educational opportunities are available to help the board upskill on AI and emerging technologies? Would the board benefit from bringing in internal or external experts to inform discussions?



How can the board ensure it remains actively engaged in the evolving landscape of AI (e.g., agentic AI), guarding against complacency and outdated perspectives, and remaining agile and responsive to AI's evolving capabilities? Would the board benefit from bringing outside voices into board meetings?

Navigating the path forward

This pulse survey shows that more boards are placing AI firmly on the agenda, are keen to see the pace of adoption in their organizations accelerate, and are spending more time educating themselves on the topic. Still, the findings indicate that work remains to be done in most organizations for them to effectively oversee this technology. As in other areas, boards that consider input from experts inside and outside their walls to help inform critical decisions can complement that expertise with knowledge and direction of their own.

The board's responsibility is to sustain the organization's long-term value and strengthen its resilience. Oversight of this technological revolution is a vital part of that responsibility. **As technology continues to evolve, boards, together with the C-suite, have the chance to take a more comprehensive look at AI opportunities and risks to build more innovative and resilient organizations.**

The considerations in this report have been derived from the [AI Governance Roadmap](#) developed by Deloitte US. The Roadmap offers key insights and questions to help oversee AI risks and opportunities, promote ethical use, and navigate the evolving landscape. Other considerations for boards on this topic include:



Strategy. Does management have a position on AI's relevance, role, or impact? How does the AI adoption strategy align with factors like resource availability or market trends?



Risk. Have leaders understood and defined their AI risk appetite? How will the organization measure and compare risks and opportunities?



Governance structure. Does the board need new members, committees, or assignments to oversee AI? Looking further, who in management will oversee AI and report to the board?



Board education. As a group or individually, does the board have the appropriate knowledge and experience to oversee AI? Where can the board turn for the education it needs? Do C-suite leaders and other managers have knowledge to share?



Performance. What metrics determine whether AI has contributed toward strategic goals—or perhaps inhibited them? What is the cadence of measurement and reporting? Is there an impact on regulatory compliance?



Talent. Does the AI strategy align with the talent strategy? What skills does the organization need to build now? What learning tools or curricula can help the workforce use AI effectively and responsibly?



Culture and integrity. Is there a trade-off between rapid, robust innovation and responsible use—and how can the organization balance it? Does the governance plan include concepts of [Trustworthy AI™](#)? Does the AI strategy account for fairness, equity, and the ability to identify and mitigate bias?

Methodology

The Deloitte Global Boardroom Program surveyed 695 board members (84%) and C-suite executives (16%) in 56 countries from January to February 2025. Some respondents may serve at multiple organizations as both executives and board members. This survey follows a survey conducted from May to July 2024, which had responses from 468 board members (86%) and C-suite executives (14%) in 57 countries. The changes noted between the results from the 2025 and the 2024 surveys are a percentage point change and have been calculated by subtracting the 2024 results from the 2025 results.



Responses were distributed across the Americas (43%), EMEA (Europe/Middle East/Africa) (43%), and Asia Pacific (14%). Among the respondents, 42 percent serve at publicly listed companies, while 42 percent serve at privately owned companies, including family-owned businesses. The rest came from a mix of government and state-owned enterprises, as well as nonprofits.

Industries represented include financial services (29%); manufacturing (15%); business and professional services (11%); energy and resources (9%); health care and pharmaceuticals (8%); technology (8%); retail and wholesale (5%); and various other industries (15%).

The survey includes respondents across a range of company sizes: 54 percent of respondents represent organizations with annual parent organization revenues of less than US\$1 billion, followed by those with revenues between US\$1 billion and US\$10 billion (28%), and those with revenues of US\$10 billion or more (18%).

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