

AI WITHOUT THE REGRET

Practical guardrails, useful prompts, and what not to do

Artificial Intelligence Panel: Governance, Implementation & Use Cases

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Do you know where your AI is?

Four quick questions to understand the room.

01

Who has used AI to review a policy?

02

Who knows every AI tool employees use?

03

Who has asked a vendor whether it uses AI?

04

Who expects an examiner to ask about AI?

The headline: AI is already in your bank

Your first control is visibility, not a perfect policy.

EMPLOYEES

Public chat tools, browser extensions, and personal accounts

VENDORS

New AI features added after onboarding

CUSTOMER CHANNELS

Bots and assistants making representations

SECURITY TOOLS

AI used defensively and by attackers

WORKFLOWS

Summaries, decisions, drafting, and classification

What not to do with AI

Seven avoidable failures that create regulatory, legal, and reputational exposure.

1. Upload sensitive data

Example: pasting a customer loan file into a public chatbot.

2. Trust an answer because it sounds certain

Example: citing an AI-invented regulation section in a policy memo.

3. Let AI make the final decision

Example: auto-denying a dispute based on a model score alone.

4. Deploy a customer bot without tested boundaries

Example: a chatbot quoting rates or fees it was never approved to give.

5. Assume old vendors are still “immaterial”

Example: a core add-on quietly turns on AI summarization of member data.

6. Skip records, sources, and review evidence

Example: no record of who reviewed an AI-drafted board report.

7. Confuse experimentation with production

Example: a pilot spreadsheet tool becomes the team's daily BSA workflow.

Simple rule: If the data, decision, or statement would matter in an exam, lawsuit, or customer complaint, do not let AI be the only control.

When AI mistakes become headlines

Three public cases. Three familiar control failures.

GLOBAL LEGAL POST

Sullivan & Cromwell apologises for AI hallucinations in letter to US court

22 April 2026

Significant filing errors included inaccurate citations and misquoted legal authority.

PUBLIC ARTICLE • [CLICK SCREENSHOT TO OPEN SOURCE](#)

UNSUPPORTED OUTPUT

FORBES

Employee’s AI Shortcut Triggers SEC Filing — Boards, Take Note

May 18, 2026

Unauthorized AI was used to process sensitive customer data, leading to a material cybersecurity disclosure.

PUBLIC ARTICLE • [CLICK SCREENSHOT TO OPEN SOURCE](#)

SHADOW AI

FORBES

PwC Reports Caught With AI Slop Is A Warning To Every Worker Right Now

Jul 31, 2026

Reports faced scrutiny for fabricated footnotes and questionable citations.

PUBLIC ARTICLE • [CLICK SCREENSHOT TO OPEN SOURCE](#)

UNVERIFIED CONTENT

The minimum viable AI control stack

Start with six controls that create evidence.

INVENTORY

- Use case
- owner
- tool
- data
- vendor

CLASSIFY

- Customer impact
- sensitivity
- autonomy
- materiality

APPROVE

- Business
- compliance
- privacy
- security
- legal

CONTROL

- Access
- data boundaries
- testing
- human review

MONITOR

- Accuracy
- drift
- incidents
- complaints
- vendor change

REASSESS

- Trigger-based reviews
- Periodic reviews

Third-party AI: your vendor changed, did your risk rating?

The hidden risk is not always a new vendor. It is a new capability.

ONBOARD

CONTRACT

CONFIGURE

MONITOR

CHANGE

- Does the vendor use AI now?
- What data enters prompts or models?
- Is bank data retained or used for training?
- How are outputs tested and monitored?
- **What notice is required when capabilities change?**

Prompts compliance officers can use tomorrow

Use an approved enterprise AI tool and remove or mask restricted data.

POLICY REVIEW

ROLE

Bank compliance analyst

TASK

Compare policy to requirements

OUTPUT

Cited gap matrix with risks and revisions

RULES

Supplied sources only; mark unsupported items “not found.”

BOARD REPORT

Use approved documents only.

Separate:

- Facts
- Trends
- Decisions needed
- Open questions

Cite factual statements and flag conflicts.

REGULATORY CHANGE

Identify:

- Scope and effective date
- Explicit requirements
- Supervisory expectations
- Affected policies
- Owners to consult
- Open questions

Reusable “skills” for compliance teams

A skill is a repeatable instruction set, source list, output format, and control checklist.

POLICY GAP ANALYZER

Policy + authority
→ Cited gap matrix

BOARD RISK BRIEF

Approved reports
→ One-page risk brief

EXAM REQUEST ORGANIZER

Request list + repository
→ Evidence tracker

VENDOR AI QUESTIONNAIRE

Vendor documents
→ Open risk questions

COMPLAINT THEME FINDER

De-identified complaints
→ Themes and examples

REGULATORY WATCH

Approved sources
→ Change and impact brief

A prompt needs its own controls

Good prompting reduces error. It does not transfer accountability.

- ✓ **Approved tool**
- ✓ **Approved sources**
- ✓ **Minimum necessary data**
- ✓ **Explicit role and task**
- ✓ **Required citations**
- ✓ **Defined output format**
- ✓ **Human reviewer**
- ✓ **Accuracy test**
- ✓ **Bias/fairness check when relevant**
- ✓ **Decision authority stays human**
- ✓ **Record retained**
- ✓ **Escalation for uncertainty**

Five examiner-ready questions

If your team can answer these with evidence, your AI program is becoming governable.

1. Where is AI used, including embedded vendor features?

2. Who owns each use case and who approved it?

3. What data, customers, or decisions can it affect?

4. How was it tested, and how is it monitored?

5. What happens when it is wrong, changes, or causes harm?

Your 30-day takeaway

Leave with homework, not just concern.

WEEK 1

Name an accountable AI lead.
Define approved tools.

WEEK 2

Inventory employee, vendor, customer, security, and workflow use cases.

WEEK 3

Risk-rank top use cases.
Document required controls.

WEEK 4

Run one controlled compliance use case.
Retain the evidence.

Do not start with the most impressive use case. Start with one you can govern.

Tools and handouts from the panel

Resources provided by Glenn, Laurel, and Angela after the review meeting. Click to open.

AI Use Cases & Risks

[OPEN RESOURCE ↗](#)

AI Questionnaire Example

[OPEN RESOURCE ↗](#)

AI Use Case Inventory Template

[OPEN RESOURCE ↗](#)

Policy Review Job Aid

[OPEN RESOURCE ↗](#)

**Board Report Executive
Summary Prompt**

[OPEN RESOURCE ↗](#)

ABA AI Readiness Suite

[OPEN RESOURCE ↗](#)

Resource guide

Click each resource below to open the source. Confirm current versions and applicability with legal and regulatory counsel.

CSBS AI Supervisory Framework

[OPEN RESOURCE ↗](#)

NIST AI RMF 1.0

[OPEN RESOURCE ↗](#)

FSB Sound AI Practices

[OPEN RESOURCE ↗](#)

FSSCC AI Reference & Application Guide

[OPEN RESOURCE ↗](#)

SR 11-7 Model Risk Guidance

[OPEN RESOURCE ↗](#)

Interagency TPRM Guidance (2023)

[OPEN RESOURCE ↗](#)

FFIEC IT Examination Handbook

[OPEN RESOURCE ↗](#)

FTC AI Accuracy Policy Materials

[OPEN RESOURCE ↗](#)