AVION CONSULTING

EXECUTIVE PERSPECTIVE

The Board's AI Governance Gap

AI risk disclosure has surged. Board-level oversight of that risk has not kept pace, and the gap is becoming a material accountability issue.

12% → 83%

Share of S&P 500 companies disclosing AI as a material risk, 2023 to 2025

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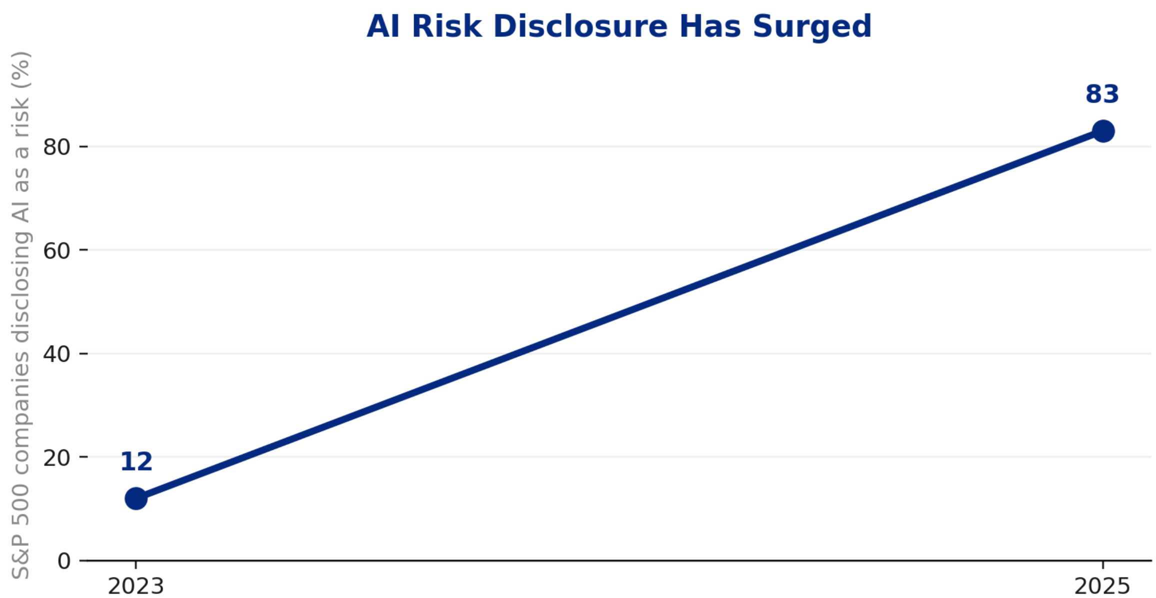
Awareness Moved Fast. Oversight Didn't.

By any measure, awareness of AI as a corporate risk has moved quickly through the boardroom. The share of S&P 500 companies disclosing AI as a material risk jumped from 12 percent in 2023 to 83 percent in 2025. That is one of the fastest shifts in corporate risk disclosure in recent memory. It has not been matched by a comparable shift in actual oversight capability.

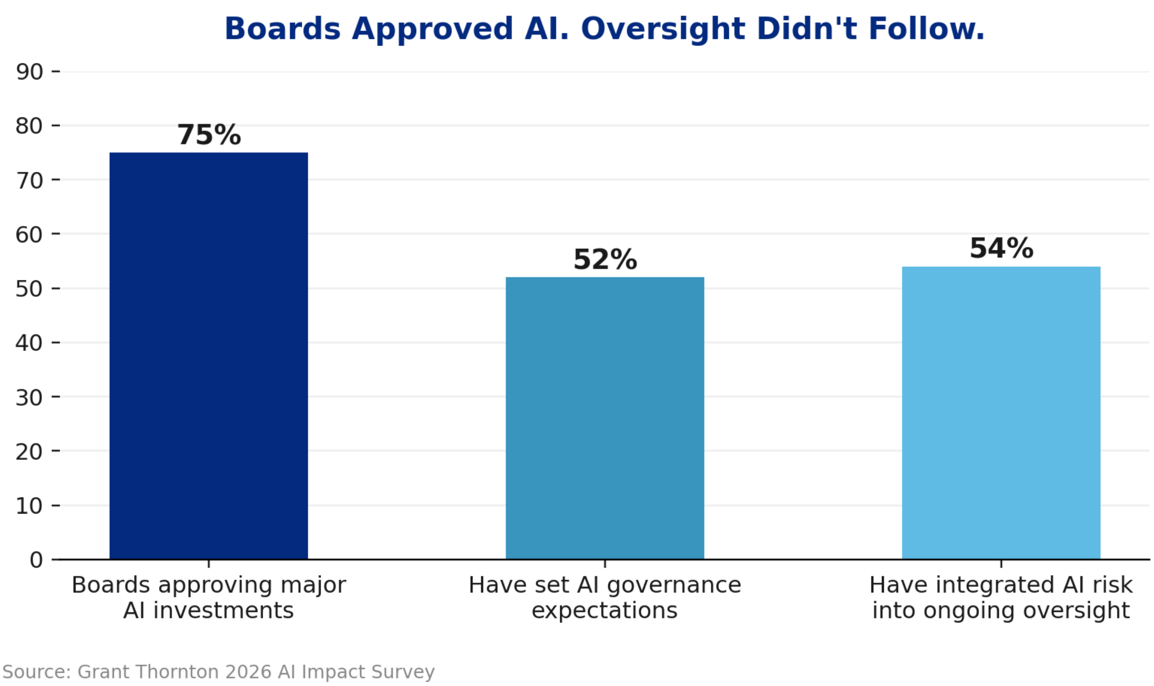


Source: The Conference Board, 2026

AI risk disclosure among S&P 500 companies has surged in two years.

The Gap Underneath the Headline

Three in four boards have approved major AI investments. Far fewer have done the governance work that should accompany that approval: 48 percent have not set clear AI governance expectations, and 46 percent have not integrated AI risk into ongoing board or committee oversight. Boards are saying yes to the investment and, in nearly half of cases, not yet asking what happens if something goes wrong.



Board approval of AI investment has outpaced governance and oversight.

The Numbers at a Glance

Metric	Figure	Source
S&P 500 companies disclosing AI as a risk, 2023	12%	The Conference Board, 2026
S&P 500 companies disclosing AI as a risk, 2025	83%	The Conference Board, 2026
Boards that have approved major AI investments	~75%	Grant Thornton 2026 AI Impact Survey
Have not set AI governance expectations	48%	Grant Thornton 2026 AI Impact Survey
Have not integrated AI risk into ongoing oversight	46%	Grant Thornton 2026 AI Impact Survey
Boards with limited to no AI knowledge	66%, down from 79% prior year	Deloitte board AI research, 2026

Why This Is Becoming a Personal Liability Issue

This gap is no longer purely a best-practice conversation. Courts and regulators are increasingly expecting directors to understand how AI is used inside their organizations and to demonstrate that risks including model failure, data misuse, and third-party dependency have been considered. A board that approved the investment without building the oversight structure around it is exposed in a way that is now measurable and increasingly scrutinized by insurers underwriting director and officer coverage.

Two Different Jobs to Do

For the CEO

Do not let AI governance sit as a slide the board reviews once a year. It needs a standing place on the agenda, with clear ownership of who is accountable for escalation when an AI system behaves unexpectedly, before that scenario happens rather than after.

For the CHRO

Where AI touches employment decisions, performance evaluation, or workforce planning, governance is your territory as much as it is legal or technology's. Board-level oversight of those specific use cases needs your voice in the room, not a briefing after the policy has already been set.

The Central Question for the Board

The right question is no longer what AI can do for the business. It is whether the board has sufficient visibility into what the organization's AI systems are actually doing right now, today, and whether that visibility would hold up under outside scrutiny.

References

1. The Conference Board, "Governing AI 2026" report, based on S&P 500 disclosure data and a survey of 130 executives.
2. Grant Thornton, "2026 AI Impact Survey Report."
3. Deloitte, board AI knowledge research, cited in AI governance statistics compilations, 2026.
4. Kiteworks, "2026 Data Security, Compliance and Risk Forecast Report."