

THE GOVERNANCE CONVERSATION

# AI Governance *in* PRACTICE

The guardrails conversation that should have happened before the tools arrived.



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# What this session is — and isn't

IT IS NOT

A “how to use ChatGPT” session.

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IT IS

The governance conversation that should have happened first.

21-40%

of organizations have a written AI use policy. The rest have no guardrails at all.

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*AI suggests — humans decide.*



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THE SAME DEFINITIONS

# AI in Your Stack

From an answer, to a draft, to hitting send — and what that escalation costs you.

01

# From an answer to hitting send

NARROW AI

gives you an answer

GENERATIVE AI

writes you a draft

AGENTIC AI

hits send

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*The further down the line, the more judgment you hand to something that has none.*



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THE EXPOSURE IS REAL

# The Three Liabilities

Three ways this technology bites.

02

# Bias gets learned, then automated at scale

## AMAZON

A résumé screener trained on its own hiring data taught itself to penalize the word “women’s.”  
Scrapped.

## EEOC V. ITUTORGROUP

Software auto-rejected women over 55 and men over 60. Settled for **\$365K**.

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*Bias shows up anywhere AI touches a decision about a person.*



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# Mobley v. Workday

## 1.1B

applications rejected through  
Workday's tools in the  
relevant period

2017 Applies to 100+ jobs, all screened  
by Workday's AI.

REJECTED Every time — some at 2 a.m. No  
human reviewed them.

HE SUES The vendor — not the employers.

MAY 2025 Certified to proceed as a  
nationwide collective action.

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*Your vendor is not a liability shield. If you deploy it, you own the outcome.*



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# Hallucination

Built to sound right –  
not to be right

712

court decisions worldwide  
dealing with AI-fabricated  
content in legal filings

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*The tool doesn't lose its license. You do.*



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# Data Leakage

SAMSUNG, 2023

Engineers pasted proprietary code into ChatGPT to debug it. The moment they did, it was gone — part of the system, no way back. Banned overnight.

*The “don’t train on my data” toggle stops training — not the data leaving your building.*

There is no  
undo button.

## Your input becomes someone else’s output

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*Public AI is a third party. Full stop.*



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# The forecast in the chatbot

*Your FP&A Analyst is slammed the night before the board meeting. She pastes next quarter's unreleased forecast into free ChatGPT for a clean board summary. **What just happened?***

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*Is the analyst the failure point? No — the missing policy is.*



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# The forecast in the chatbot

*Your FP&A Analyst is slammed the night before the board meeting. She pastes next quarter's unreleased forecast into free ChatGPT for a clean board summary. **What just happened?***

01

Unreleased numbers now sit on someone else's server.

02

Nobody checked the summary — it goes in as fact.

03

No rule in the building told her not to.

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*Is the analyst the failure point? No — the missing policy is.*



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WIDEN THE LENS

# The Trust Crisis

Even if you never touch an AI tool, AI is already touching your work.

03

# It's not just *your* AI anymore

Even if you never touch a tool, AI is reshaping the evidence that lands on your desk.



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# From hours to seconds

AI changed the cost of faking something from hours to seconds — and most firms haven't updated their verification to match.

## THE ONE NEW STEP

Check authenticity *before* accuracy. Confirm at the source.

*Would your current process catch it?*



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NO FEDERAL PLAYBOOK

# The Regulatory Landscape

04

# Federal pullback, state acceleration

FEDERAL

Oversight built, then revoked. A hands-off vacuum.

STATES

Filled it — each one differently.

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*The multi-state employer inherits the strictest standard.*



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# A patchwork, not a playbook

## NEW YORK CITY

LL 144 — annual independent bias audit, posted publicly.

## ILLINOIS

Video Interview Act — consent, disclosure, retention limits.

## CALIFORNIA

Automated-decision rules — risk assessments, notice, opt-out.

## TEXAS

Prohibits AI built to intentionally discriminate.

## CONNECTICUT · OCT

“The algorithm did it” is explicitly no defense.

## COLORADO · SB 189

Sweeping 2024 Act — gutted to disclosure-only in one session.

*Build to the principle — not the statute.*

INDIANA: NO STATUTE YET  
— BUT THE AICPA CODE  
STILL APPLIES.



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PRO-AI, RESPONSIBLY

# Building the Guardrails

The non-negotiable rule, the use-case framework, the vendor questions, and the policy.

05

# Where to use it — and where to stop

## USE IT FREELY

First drafts. Summaries. Excel formulas.

*The fast intern. No confidential data in public tools.*

## USE, THEN VERIFY

Tax research. Financial analysis. Client work.

*Check every citation, every number. Named reviewer.*

## DON'T CROSS

Confidential data in public tools. Final calls about a person. Unverified work under your name.

*AI is the intern, not the partner.*



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# Eight questions before you sign

- 01 Where does our data go — and does it train your models?
- 02 Show me your most recent bias or accuracy audit.
- 03 What's your error rate — and how do we catch wrong?
- 04 When it's wrong, who is liable — you, or us?
- 05 Can a human override the system — and is it logged?
- 06 Can you explain how it decides, or is it a black box?
- 07 What about data opt-out and deletion rights?
- 08 How often is it updated — and who owns ethics?

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*Sole practitioner? These are the questions you ask yourself.*



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# Before you write a word

01

## Get stakeholders in the room

IT, legal, ops, finance, HR — the risks you can't see, and the buy-in you'll need.

02

## Audit what you've got

Extend your code of conduct, cyber, and privacy policies — don't reinvent wheels.

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*Build to principles, not products. Keep it evergreen.*



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# What goes in the policy

## SCOPE & APPROVED TOOLS

Sanctioned vs banned. No confidential data in public tools.

## HUMAN OVERSIGHT

Named reviewer before anything leaves. Track and disclose AI use.

## PRIVACY & DATA

PII, PHI, trade secrets, client financials never go in.

## ETHICS & TRANSPARENCY

No new bias. Disclose to clients when AI was part of the work.

## ACCOUNTABILITY

Named owner, approval chain, audit cadence — and consequences.

*One-person shop? These become your operating rules.*



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# You already know this framework

01

## Inventory

Every tool, version, and user.

02

## Criteria

Accuracy, bias, data, compliance.

03

## Test

Sandbox first — re-test on updates.

04

## Document

Tested, found, fixed, signed off.

05

## Committee

Cross-functional, reports up.

06

## Ongoing

A living process, not a filing.

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*The same discipline, applied to a new domain.*



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PAPER INTO CULTURE

# The Training Your Org Needs

Two layers, role-specific — and the skepticism training  
nobody's building yet.

06

# What goes in the training

## EVERY EMPLOYEE

- 01 What's approved — and what's not.
- 02 How to verify before you trust — role-specific.
- 03 When and how to disclose.
- 04 How to report when something goes wrong.

## MANAGERS · A SECOND LAYER

Evaluate vendors. Enforce the checkpoint without being a bottleneck. And *manage the split* — the over-reliers and the refusers both need different coaching.

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*Solo? Four questions, every time: Approved? Verified? Disclosed? Plan if it breaks?*



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# Professional skepticism in an AI world

How do you teach a junior to override a clean-looking output — when they've never done the work by hand? That's not a deck you email. It's facilitated, role-specific, repeated.

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*The policy is paper. The training is what makes it a culture.*



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# Why this is bigger than you think

## STRUCTURAL SHORTAGE

The labor shortage is math, not a recruiting problem.

Working-age populations are shrinking — for decades.

## SKILLS ARE CHURNING

$\frac{1}{3}$

of an average job's skills changed in just three years.

## THE DURABLE SKILLS

The most in-demand AI skills are human.

Judgment, skepticism, the right question.

*You can't build capacity on tools you don't govern.*



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LOOK AROUND THE CORNER

# The Questions Nobody's Asking Yet

A five-year horizon and a ten-year horizon — while  
there's still time to lead.

07

# The five-year questions

01 The human checkpoint is breaking.

Agentic platforms finish before you look.

03 Your malpractice insurance.

Do E&O policies cover AI-assisted work?

02 Misplaced certainty.

The danger isn't wrong — it's too right.

04 The talent-pipeline paradox.

Automate the apprenticeship, lose the judgment.

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*Call your E&O carrier this quarter. If they can't answer — that's your answer.*



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# The ten-year questions

Does AI need a *license*?

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Algorithmic assurance — the biggest unclaimed service line in a generation.

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The billable hour runs out of runway — you sell judgment, not hours.

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When your AI audits your client's AI — what is oversight?

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*Someone builds the AI-audit practice. That person could be you.*



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LEAVE WITH THE MOVES

# Monday-Morning Action Plan

Five moves, in order — scaled down but never skipped if it's just you.

08

# Five moves for Monday

- 01 Inventory the AI already in your stack.

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- 02 Issue a one-line rule: no confidential data in public AI tools.

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- 03 Put a named human checkpoint on your highest-risk use case.

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- 04 Add the eight questions to procurement.

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- 05 Assign an owner and a 90-day date.

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*A policy with no owner and no deadline is a wish.*



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# AI suggests — *you* decide.

Govern it. Lead the conversation about what comes next.  
Build the guardrails now, on your terms — or someone builds  
them on theirs.

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The one-pager has every framework from today.  
*Start there Monday.*

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QUESTIONS & DISCUSSION

# Thank you. *Questions?*

Let's keep the conversation going — on policy, training, or where AI fits your firm.



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