AI EFFICIENCY LABS

A Governance Scenario: One Incident, Two Outcomes

The Incident

A professional in a client-facing role needed to deliver a summary under deadline pressure. The work required synthesizing a substantial volume of documentation and translating complex findings into clear, actionable language for a client.

Pressed for time, the employee used an AI tool to draft the document, quickly reviewed it, and submitted it.

The summary contained an error. A key finding had been reframed in a way that changed its meaning materially. The client, relying on the summary to inform a significant decision, proceeded on inaccurate information. When the discrepancy surfaced, the consequences were immediate: the decision had to be reversed, the client relationship was strained, and an explanation was demanded.

What happened next depended entirely on whether governance decisions had been made before that employee opened the AI tool.

Organization A

The employee chose a consumer-grade AI tool because it was familiar and fast. No approved tool list existed. The document contained confidential client information, but no data classification rules were in place, so that information entered a public model without restriction or documentation.

The completed summary went directly into the client deliverable. No verification step existed. The employee, operating in good faith, believed a thorough review was sufficient.

When the error surfaced, leadership asked the questions that felt most urgent. Who created this? What tool did they use? Are there other errors? Should AI be banned entirely?

These questions are understandable. They are also incomplete. No process governed tool selection, data handling, or verification. No one was accountable for any of it.

That is not a defensible position.

Organization B

An employee in a comparable role faced the same deadline and reached for an AI tool. The tool was on an approved list, vetted for the type of work involved. The employee understood what could and could not enter the system. A redacted version of the documentation was used.

Before the deliverable reached the manager, it went to a designated reviewer. The reviewer worked through the document, noticed that a key finding had been reframed incorrectly, and went back to the employee who was accountable for the AI-assisted work. The employee corrected the summary. The manager reviewed the final version and approved it for delivery. The client received accurate work.

The organization had a structure in place to ensure that the tool was authorized, the employee followed an established process, verification was required and documented, and a named role held accountability at every stage. That is what governance makes possible.

5 Leadership Decisions That Made the Difference

Organization B handled the situation correctly because leadership had already decided:

1. What data is permitted to enter AI systems, and what is not
2. Which AI tools are approved
3. Who has authority to use AI for work that influences client deliverables and decisions
4. What verification is required before AI-assisted output is finalized
5. Who is accountable when AI-assisted output is challenged

Questions Worth Asking

If a client asks how your organization oversees AI use, what would you say?

If an AI-assisted error reached a client tomorrow, who in your organization would be accountable?

How many employees are choosing their own AI tools without organizational approval?

Where does informal practice end and documented accountability begin?

Next Step

Governance decisions are leadership decisions. They require honest assessment of where AI is already operating in your organization and clarity about what authority, verification, and accountability look like in practice.

If you recognize your organization in the first scenario, it is time to take your first step toward building a governance framework.

Schedule a Discovery Session at **aiefficiencylabs.ai**, or reach Kathy directly at **kathy@aiefficiencylabs.ai**