C. Checklist for managing ethical risks in artificial intelligence

We have created a checklist of key questions for those charged with governance of public sector entities to consider with respect to managing the ethical risks associated with artificial intelligence (AI). It is not comprehensive but provides a practical tool to guide entities in aligning their AI use with established ethical standards and governance expectations.

This checklist is adapted from the Queensland Government's AI governance framework and national frameworks.

Figure C1
Checklist for managing ethical risks in artificial intelligence

Focus area	Questions
Governance and strategy	Does your entity have an AI strategy or policy that establishes clear roles and responsibilities for managing AI ethical risks across operational areas?
	Does your entity have a clear and accountable process during planning and design stages to assess whether using AI is suitable for a service or function, before implementing it?
	Does your entity's existing digital and information and communication technology governance arrangements align with ISO 38507 *Information technology – Governance of IT – Governance implications of the use of artificial intelligence (AI) by organizations*?
	Does your entity's governance group (for example, board of directors, executive management team, committee or ethics board, or other formal oversight group) oversee high-risk AI systems and their associated ethical risks?
	Does your entity's governance group receive regular reporting on ethical risk management throughout the life cycles of AI systems?
	Does your entity's governance group seek assurances that management effectively implements controls and mitigation strategies to meet legal and other compliance obligations?
Assessing and managing ethical risks	Does your entity use an ethical framework, such as the Foundational artificial intelligence risk assessment (FAIRA) framework, to assess and manage ethical risks for all AI systems throughout their life cycles?
	Does your entity provide staff with guidance on when and how often ethical risks should be assessed across the AI life cycle?
	Does your entity have adequate capability and expertise to effectively identify, assess, and manage the ethical risks associated with AI systems?
	Does your entity's risk assessment clearly identify the ethical risks of AI systems and corresponding controls and mitigation strategies to manage them?
	Does your entity have assurance processes in place to check controls and mitigation strategies are working as intended?

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Automated decision-making	Does your entity have appropriate human oversight of decisions made or recommended by AI systems?
	Does your entity provide impacted users with mechanisms to challenge the outcomes of automated decisions made with AI systems?
Procurement and third-party arrangements	Does your entity consider ethical risks associated with AI systems when planning the procurement process?
	Does your entity require vendors to demonstrate how their AI systems meet ethical, technical, and security standards in their tender response?
	Does your entity's contracts with AI vendors include key performance indicators or other assurance mechanisms to support the management of ethical risks?
	Does your entity have clear roles, accountability, and processes to monitor vendor performance and ensure compliance with ethical and contractual requirements?
Data and information management	Does your entity maintain a central inventory of AI systems, including their purpose, use, risks, and stage within the AI life cycle?
	Does your entity implement controls, assurance processes, and training to mitigate risks with the accuracy, completeness, and reliability of data used in AI systems?
	Does your entity limit the data collected and used by AI systems to what is necessary for the intended purposes?
	Does your entity ensure its AI systems comply with data privacy, security, and confidentiality obligations?
Laws and regulations	Does your entity implement a process to ensure AI systems' ongoing compliance with relevant laws and regulations?
	Does your entity regularly review its AI systems to identify and address any emerging legal or regulatory risks?
Education, awareness, and transparency	Does your entity provide training or resources to staff to build skills, knowledge, and awareness of the ethical risks associated with AI systems?
	Does your entity implement processes to ensure AI-related training content remains current with emerging risks, technologies, and ethical standards?
	Does your entity disclose the use of AI systems to members of the public where the system directly engages with them or may significantly affect them?
Continuous improvement	Does your entity regularly review and improve the performance of AI systems to ensure they remain effective, accurate, and aligned with their intended purpose?
	Does your entity share lessons learned from AI systems across the entity to support continuous improvement?
	Does your entity establish clear mechanisms for managing feedback, complaints, and adverse outcomes related to AI system use?

Source: Compiled by the Queensland Audit Office.