

OUTLIERS DATA & AI CENTRE™

AI Risk Toolkit™

Identify, assess and treat AI risk

AI Risk / Model Owners / Internal Audit · Flagship Edition 2026

Publication-ready resource for the Outliers Resource Library

1. Full Guide

AI introduces distinctive risks — bias, hallucination, drift, security, privacy and more. This toolkit provides the AI risk taxonomy, assessment, controls and monitoring to manage AI risk across the lifecycle.

Operating lifecycle

1. Identify — apply the AI risk taxonomy
2. Assess — score model risk before and after controls
3. Control — apply bias, robustness, security and privacy controls
4. Monitor — track performance, drift and incidents
5. Escalate — report and escalate AI risk

Maturity model

L1 Initial	L2 Developing	L3 Defined	L4 Managed	L5 Optimised
Ad hoc / reactive	Basic, siloed	Standardised & governed	Quantified & integrated	Predictive & embedded

Key components

- AI risk taxonomy
- Model risk assessment
- Bias and fairness control
- Security and robustness
- Operational controls
- Monitoring and escalation

2. Templates & Registers

AI risk register

Identify, assess and treat AI risks (working XLSX supplied separately).

Risk	Category	Rating
Biased credit decisions	Bias & Fairness	Critical
Chatbot hallucination	Accuracy	High
Model drift	Model Drift	High

AI risk assessment template

Assess a model before approval (structure).

Field	Example
Model	Credit scoring
Inherent risk	High
Key risks	Bias; drift
Controls	Fairness testing; monitoring
Residual risk	Medium
Decision	Approve with conditions

Model monitoring & drift log

Track production performance.

Field	Example
Model	Fraud detection
Metric	Precision/recall
Drift status	Stable
Last check	2026-02-01
Action	None

3. Checklists

- AI risk taxonomy applied
- Models risk-assessed before use
- Bias and fairness tested where relevant
- Security and robustness controlled
- Production models monitored for drift
- AI incidents captured and escalated
- AI risk reported to governance and board

Governance Structure

Data & AI is governed through clear accountability under board oversight:

Layer	Role
Board / Audit Committee	Approves policy and appetite; oversees data & AI risk and value
Data & AI Governance Committee	Sets standards, tiers AI, approves high-risk use, reviews oversight
Data/AI owners (1st line)	Own and manage data and AI in their area
Data office / AI risk (2nd line)	Set framework, monitor, challenge, aggregate reporting
Internal Audit (3rd line)	Independent assurance over data & AI controls

Reporting Template

Standard report structure: executive summary · profile vs target (RAG) · key metrics · issues & actions · decisions sought.

Metric	Current	Target	RAG	Action
High-risk models	2	Within appetite	Amber	Enhanced controls in place
Models monitored	90%	100%	Amber	Onboard remaining
Open AI risk issues	1 critical	0 critical	Red	Remediate bias finding
Bias tests current	88%	≥90%	Amber	Complete testing

Board Reporting Example

Illustrative one-page board summary (replace with live data):

Item	Status	Commentary
AI risk posture	Amber	Managed; one critical bias finding in remediation
Model monitoring	Amber	90% of production models monitored
Incidents	Green	No AI incidents materialised this period
Decisions sought	—	Approve bias-remediation plan for credit model

Notes & Disclaimer

This toolkit is a professional management resource, not legal or regulatory advice. Calibrate scoring, tiers, policies and governance to your organisation, sector and applicable regulation. Data-protection items should be confirmed against the Nigeria Data Protection Act (NDPA) and other applicable law; AI-specific obligations should be confirmed against current and emerging regulation.