AI Governance and Risk Management in Financial Services

Dates & Fees

Live Online
8 & 9 September 2026
09:30am - 12:45pm both days
£595 + VAT
Savings available for multiple registrations

Course outline and objectives

This two-half-day course provides a structured, practitioner-focused introduction to **AI governance and risk management**, designed for financial services professionals navigating rapidly evolving regulatory expectations. As supervisory bodies increasingly scrutinise the use of AI across decision-making, customer outcomes, and operational processes, firms must move toward robust governance frameworks that are auditable, explainable, and aligned with existing non-financial risk disciplines.

The course explores how AI risk intersects with established areas such as operational risk, model risk, conduct risk, and third-party risk management. Participants will examine key risk domains including model opacity, data quality, bias and fairness, accountability, and operational resilience. Through a regulatory lens, the programme highlights emerging expectations from global authorities and situates AI governance within broader enterprise risk management and control frameworks.

Across the two half-day sessions, attendees will gain a clear understanding of how to design and implement effective AI governance structures. This includes defining roles and responsibilities, establishing lifecycle controls, integrating AI into existing risk taxonomies, and developing meaningful risk metrics and critically design reporting for senior management and Boards. Practical examples and case studies will illustrate common pitfalls and leading practices, with a focus on real-world applicability.

Who Will Benefit?

This course will benefit all those involved in all aspects of non-financial risk management, operational resilience, third-party risk management, non-financial risk specialists and auditors.

By the end of the course delegates will be able to:

- Understand key FCA and PRA expectations for the governance and use of AI
- Assess AI governance, controls, and accountability against supervisory standards
- Identify gaps in risk management, oversight, and documentation
- Support proportionate, risk-based AI governance aligned to existing risk frameworks

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The Training Environment

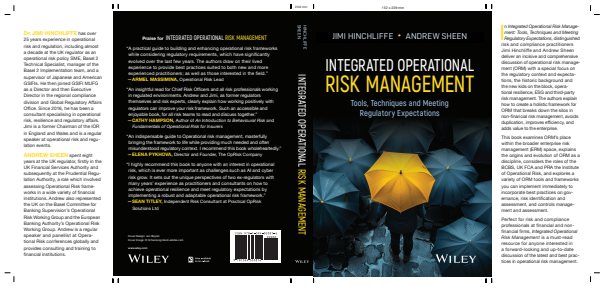
Course Leaders

The course will be led by **Dr.Jimi Hinchliffe** and **Andrew Sheen:**

- **Jimi** has 25 years' experience in operational risk and regulation. In almost a decade at the UK regulator, Jimi held several roles, including operational risk policy SME, Basel 2 Technical Specialist, manager of the Basel 2 Implementation team and in 4 years as supervisor, managed relationships with large Japanese and US GSIFI banks and investment firms. Jimi has held senior positions at MUFG, including as Head of EMEA Regulatory Affairs and Head of Compliance Policy, Risk and Regulatory Affairs Department. Since 2016 he has been a consultant specialising in operational risk, resilience and regulatory affairs and has undertaken projects in a variety of topics including Operational Resilience, Third Party Risk Management and Operational Risk.

- **Andrew** is best known for the 8 years he spent at the UK regulator, firstly in the FSA and subsequently at the PRA. In his time with these authorities Andrew was manager of the Operational Risk Policy Team before moving to head the team responsible for providing Operational Risk and Governance subject matter expertise to supervisors. Andrew also represented the UK on the Basel Committee for Banking Supervisors Operational Risk Working Group and the European Banking Authority's Operational Risk Working Group. Since retiring Andrew has been actively involved in providing training and advisory services in operational risk, risk governance and operational resilience, outsourcing and enhancing risk management capabilities.

Jimi and Andrew co-wrote 'Integrated Operational Risk Management' in 2025.



Course Programme

Session	Aim	Content
The Rise of AI Risk in Financial Services	To establish why AI has become a core regulatory and risk management priority, and how it differs from traditional model and operational risk.	• Key characteristics of AI (opacity, autonomy, scale) • Lessons from historical risk failures (ORM, model risk) • Why regulators are increasingly focused on AI
AI Risk Taxonomy and Primary Risks	To provide a structured understanding of the key AI risk categories and how they manifest in practice.	Core AI risk types: • Model risk • Data risk (quality, lineage, bias) • Conduct risk (fairness, explainability, customer outcomes) • Operational risk (automation failure, system dependency) • Third-party / vendor AI risk
Regulatory Landscape and Supervisory Expectations	To analyse emerging global regulatory approaches to AU and the direction of supervisory travel.	Overview of key frameworks: • EU AI Act • Basel Committee on Banking Supervision principles UK supervisory positioning (PRA / FCA) Core regulatory themes: • Accountability • Explainability • Proportionality

The Limits of Traditional Risk Frameworks	To explore why existing ORM and model risk frameworks are insufficient for AI, and introduce the "AI governance gap".	• Limits of model risk management for AI systems
		• Parallels with ORM weaknesses:
		  ○ Subjectivity
		  ○ Fragmentation
		  ○ Lack of outcome focus
		• The shift from "risk management" to "outcome assurance"

Designing an Effective AI Governance Framework	To define what "good" AI governance looks like and how it integrates into enterprise risk structures.	• Governance principles for AI
		• Three lines of defence / 3 Lines applied to AI
		• Roles and responsibilities:
		  ○ Board and senior management accountability
		  ○ Model vs business ownership
		  ○ Risk and compliance oversight

AI Lifecycle Risk Management and Controls	To examine how risks should be managed across the AI lifecycle and what effective controls look like.	• End-to-end lifecycle
		• Key controls
		  ○ Model validation and challenge
		  ○ Explainability techniques
		  ○ Human-in-the-loop mechanisms
		• Documentation and auditability expectations

Risk Measurement, Reporting and Third-Party AI	To address the challenges of AI risk and managing dependencies on third-party providers.	• Defining meaningful AI risk metrics:
		  ○ Bias and fairness indicators
		  ○ Performance stability
		  ○ Outcome monitoring
		• Board-level reporting challenges (avoiding fragmented MI)
		• Third-party AI risks

Scenario Testing, Resilience and Implementation Challenges	To link AI governance to operational resilience and explore practical implementation challenges.	• Severe but plausible AI failure scenarios
		• Links to operational resilience:
		  ○ Service disruption
		  ○ Customer harm

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