

# Artificial Intelligence Healthcheck and Compliance Framework





## Ensuring trustworthy AI which complies with regulation and ethical best practice

AI is becoming more prevalent in all industries. 62% of CEOs believe AI will have a larger impact than the internet<sup>1</sup>. Gartner Research estimates that AI-derived business value will reach c.\$4 trillion by 2022. But, as with any major advance in technology, there are risks that need to be understood and managed.

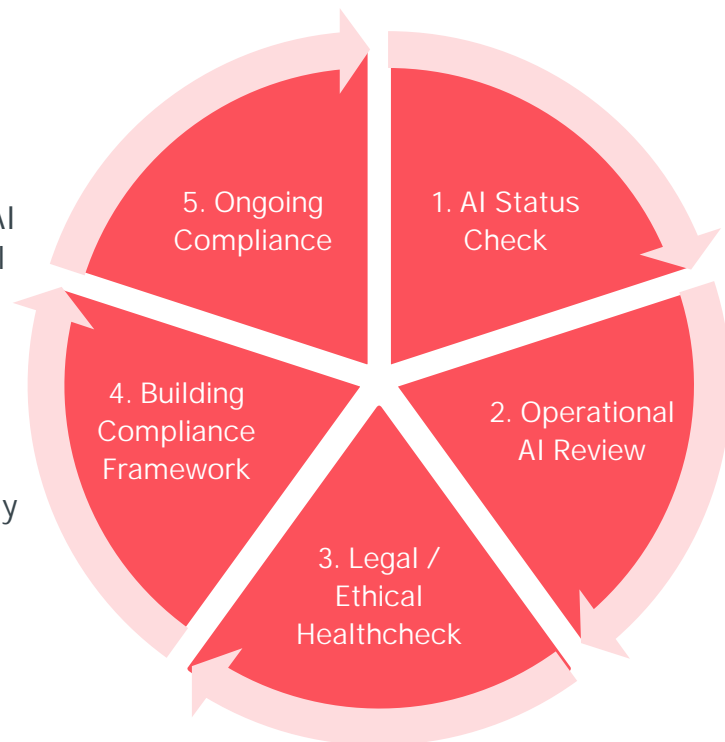
Organisations may already be subject to legal obligations relating to their use of AI and further AI-specific regulation is inevitable. There is also an increasingly strong focus on the ethical use of AI. For example, there are now various frameworks and principles that emphasise that the use of AI must be transparent and explainable, particularly so that it is trustworthy.

Trustworthy AI is key for any organisation. Without trust, the unintended consequences of AI can have a real impact on the brand and value of a company. Also, regulatory bodies will increasingly target companies (and their board members), testing whether their use of AI complies with ethical best practice and any applicable regulations.

### How we can assist with this

Our goal is to ensure that your organisation is using AI in compliance with applicable regulations and ethical best practice. We do this by understanding how AI is being used in your organisation, identifying any legal/ethical compliance gaps and assisting you to implement a robust AI Compliance Framework.

Our approach is flexible: some organisations may only need a “light-touch” approach; others will need (or prefer) to have more robust intervention.



### Why this matters

As well as regulatory/ethical compliance, a robust AI Compliance Framework will promote:

- **Reputational/commercial benefits:** it will be commercially attractive for your customers and suppliers to know that your organisation’s AI is trustworthy
- **Cultural alignment:** an AI Compliance Framework (with staff training) will give your organisation alignment on its internal and external messaging about its use of AI
- **Good governance:** regulators will expect to see robust governance in place, particularly around data protection. Public-facing documents demonstrating ethical AI will also help to achieve regulatory compliance, thereby promoting trust in your organisation’s technology.

(1) PwC 22<sup>nd</sup> Annual Global CEO Survey (2019)



# 1. AI Status Check

The first stage in the process is likely to be a discussion with your legal / risk teams to ensure that you understand what we can offer and what your organisation may need. We will need to understand:

- How your organisation uses AI
- Who is involved in the operation of the AI systems
- What compliance or governance measures are already in place



# 2. Operational AI Review

It is important for organisations to understand how they are using AI, technically and operationally, to ensure effectiveness and to minimise risk. E.g. Is the provenance and sampling of data clear? What algorithms are you using? Is the AI output reliable and free of bias? How are you using the output? What is the overall architecture of the AI technology?

Your organisation may already have a good understanding of its AI systems, in which case our input may be limited at this stage. However, our technical team can assist your organisation by undertaking a technical / operational review of your AI systems, if helpful.

We can vary the intensity of our review depending on the complexity of your AI systems, the level of your organisation's understanding of these systems and the desired level of scrutiny.

### Light review

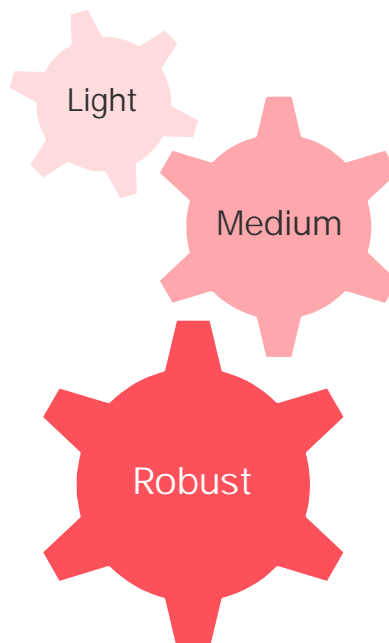
- Questionnaire and feedback on use of AI technology and data
- High-level discussion with organisation

### Medium review

- Technical review of AI system including architecture, models and algorithms
- Detailed discussion with organisation

### Robust review

- Independent testing of AI system to examine data sources and effectiveness/robustness of technology
- Report containing analysis and findings



### Case Study

Best Practice AI worked with a FTSE 250 organisation to review the efficacy and risks of its AI models used for customer churn prediction. The review examined the model development, the selection of raw data sources, feature extraction and derived features. It then looked at the performance (e.g. precision and recall rates) on the various models used (e.g. random forests, deep neural networks and time series based recurrent neural network architectures). The analysis allowed Best Practice AI to advise the organisation on its AI risk profile based on this analysis.

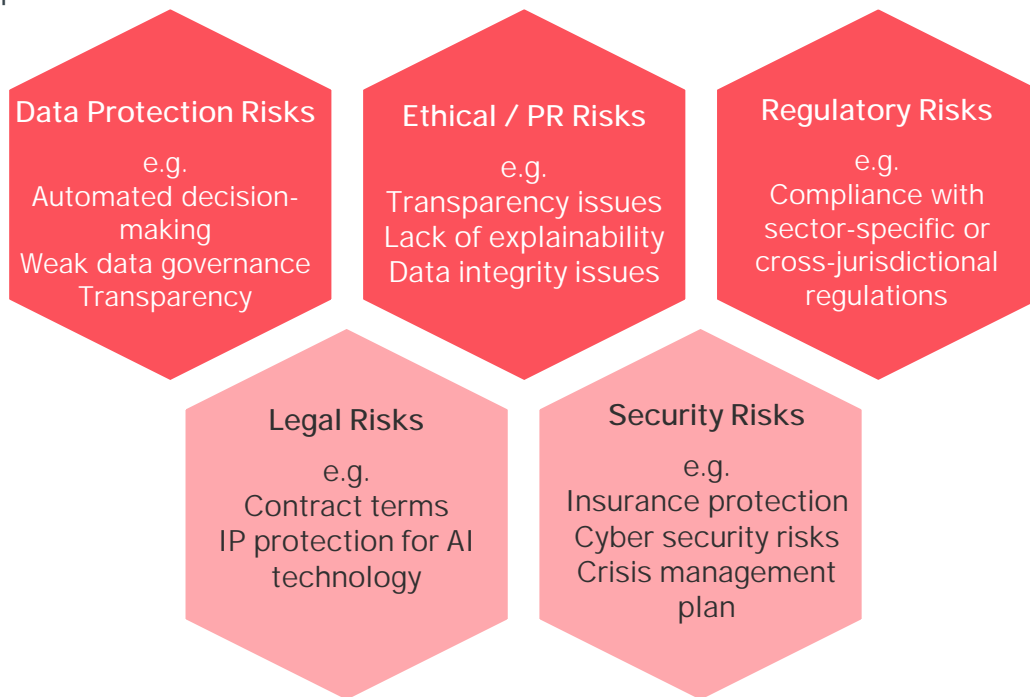


# 3. Legal / Ethical Healthcheck

## Undertaking Healthcheck

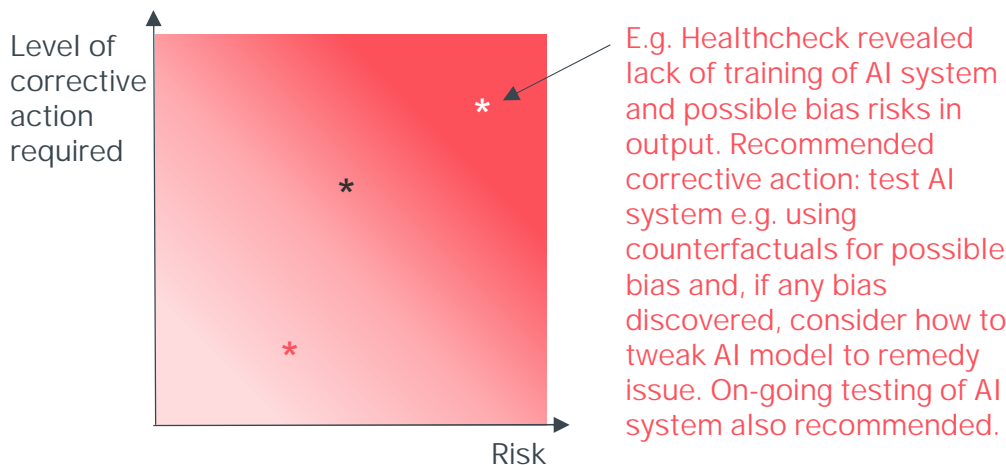
Once we understand more about your organisation’s use of AI and its AI systems (whether directly from you or from our technical team’s Operational AI Review), our legal team will undertake a Legal / Ethical Healthcheck of your organisation’s use of AI.

Our Healthcheck can vary in intensity from e.g. legal / ethical red flags to a robust analysis of various risks, for example:



## Identifying gaps

Following our Healthcheck, we will identify any compliance gaps in your organisation’s use of AI and advise on the level of risk associated with each. We would also advise on recommended corrective action. For example:



### Case Study

Simmons & Simmons advised an app designer on the explainability of the AI system used in one of its apps. The app involved the use of personal data – a red flag – and, in order to improve the saleability of the app, we assisted the client in undertaking a Data Protection Impact Assessment (DPIA) and consultation with the ICO. The ICO reviewed and ultimately approved the DPIA and roll-out of the AI system.

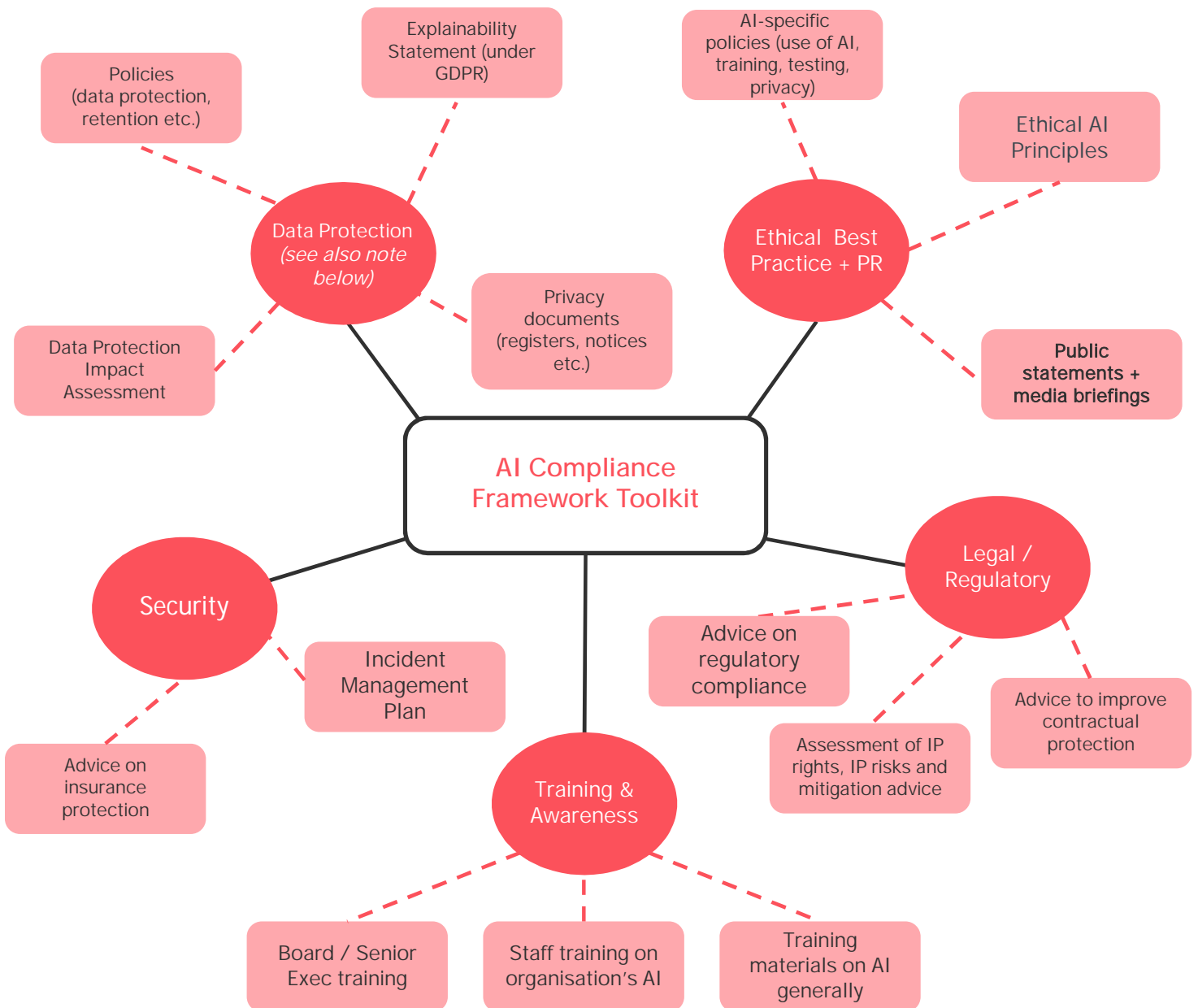


# 4. Building a Compliance Framework

Once we have completed the Legal / Ethical Healthcheck, your organisation will have a better idea of the condition of its AI Compliance Framework i.e. the areas in which it is achieving compliance and the areas which require further attention.

The diagram below represents the “toolkit” which organisations should consider deploying in order to improve the condition of its AI regulatory and ethical compliance.

Organisations do not need to use each tool; some may not be necessary e.g. if no personal data is used in the AI system, and some will be more appropriate than others.



**Note:** The Toolkit outlines broadly the tools available to improve AI-specific data protection compliance. We have a separate booklet providing more detail on achieving data protection compliance and what we can offer in that area.

# 5. On-going Compliance



Depending on the results of our Legal / Ethical Heathcheck and on the strength of your organisation's AI Compliance Framework, we may recommend on-going monitoring or testing of your AI systems.

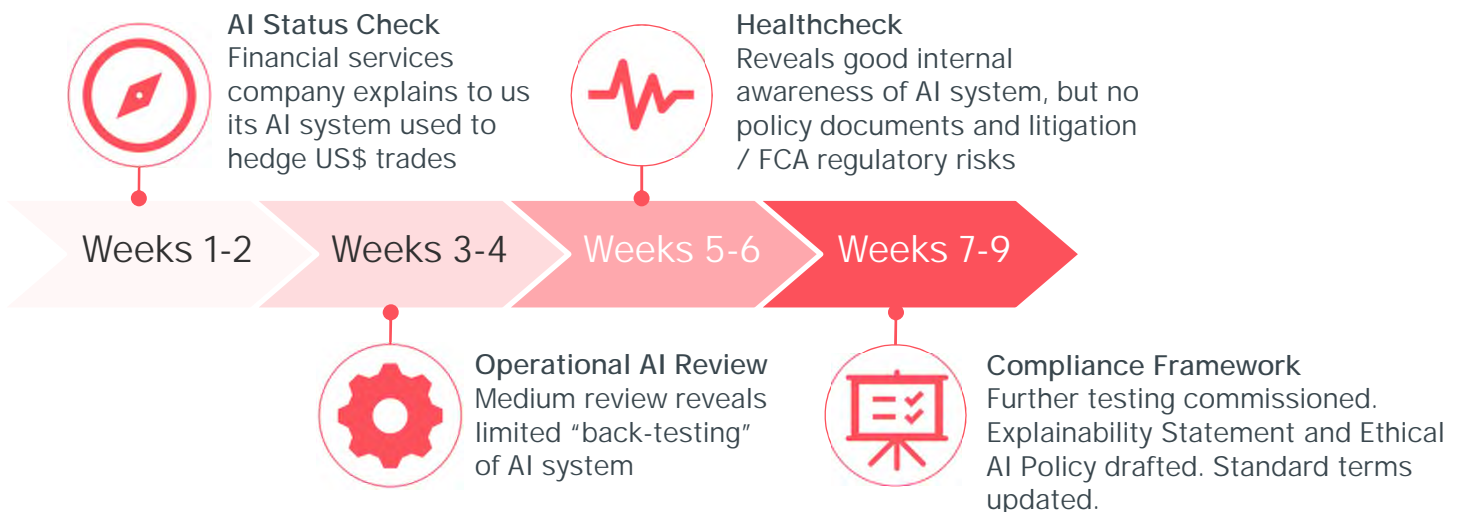
In any case, your organisation may benefit from implementing protocols to ensure that any changes e.g. regulatory developments or any technological changes in your organisation's AI systems, are reflected in its AI Compliance Framework. For example:



## Practical example – what the service looks like



We are flexible in our approach. Some organisations may not need or wish to have a large AI Compliance Framework; others may choose a more robust approach. A typical project may look like this:



# Who we are

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Our services bring together the expertise of three parties:

- **Simmons & Simmons**: an international law firm with a dedicated AI Group and extensive data protection compliance experience
- **Best Practice AI**: a leading AI consultancy assisting senior executives and board members, and the first British member of World Economic Forum's Centre for the Fourth Industrial Revolution AI programme
- **Jacob Turner**: barrister at Fountain Court Chambers, a leading-commercial chambers, with AI and data protection experience

We are able to call upon additional resources and expertise e.g. on complex questions of data protection law, if required.

## Bios

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### Minesh Tanna

Solicitor + AI Lead, Simmons & Simmons

Minesh is a solicitor at Simmons & Simmons, specialising in technology-related disputes, and the firm's AI Lead. Minesh regularly speaks at events on AI regulation (and he has spoken on this subject on behalf of the UN). His role in the UK CBI's AI Working Group and European AI Alliance allows him to contribute to the development of AI policy and regulation.

### Simon Greenman

Founder, Best Practice AI

Simon is a partner at Best Practice AI. He represents the firm on the WEF's Centre for the Fourth Industrial Revolution, its work on a board toolkit for AI governance, and is a member of their Global AI Council. He holds a degree in AI and has over twenty years of international leadership experience driving digital transformations and innovation with advanced technologies and data.

### Jacob Turner

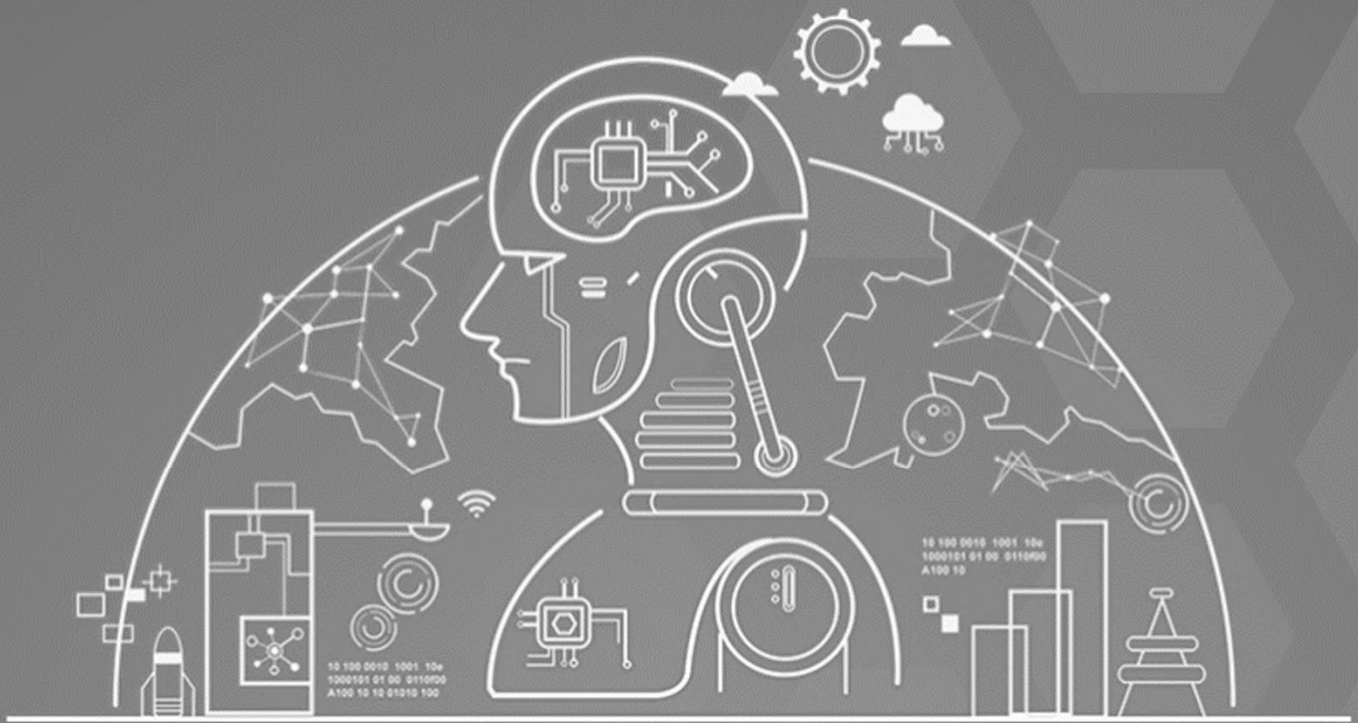
Barrister, Fountain Court Chambers

Jacob is a barrister and the author of *Robot Rules: Regulating Artificial Intelligence*. He has advised major organisations on AI regulatory compliance and several governments on their AI governance policies. He lectures internationally on the regulation of AI and other data governance issues.

### Tim Gordon

Founder, Best Practice AI

Tim is a partner at Best Practice AI. He is a member of the AI adoption task force for the UK All Party Parliamentary Group and the British Standards Institute. He speaks frequently on the topic of AI for competitive advantage, risk management and adoption. Tim brings over twenty years of executive experience in digital transformation and management consultancy.



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