

THE BOARD'S AI MOMENT

What Effective AI Oversight Demands of
Today's Directors

— 2026 RESEARCH REPORT



AI HAS REACHED THE BOARDROOM.

OVERSIGHT HAS NOT KEPT PACE.

AI now shapes strategy, operations, and decisions across the company. Directors remain accountable for how that technology is governed, including what happens when it fails.

Recent research points to a clear gap. Most directors say AI is the capability their board most needs to strengthen, most rate the AI information they receive as inadequate, and few companies disclose any board-level oversight of AI at all.

For boards, the priority is to establish who owns AI oversight, what information the board receives, and how AI decisions are escalated.

71%

of directors say AI is the skill their board most needs to strengthen for effective oversight.

82%

rate the information linking AI outcomes, risks, and performance as fair, poor, or not provided.

8%

of 3,048 Russell 3000 and S&P 500 companies disclose any board-level oversight of AI.

THE BOARD-LEVEL PRIORITY

Establish who owns AI oversight, what the board needs to know, and how it will know when something goes wrong.

AI ADOPTION IS ACCELERATING. BOARD OVERSIGHT HAS YET TO CATCH UP.

Board disclosure of AI oversight is rising, but formal structures remain the exception. Where oversight exists, it often rests on a single director rather than an institutional process, a pattern ISS STOXX calls a “lone expert vulnerability.”

Directors are also adopting AI faster than their boards are governing it. Most now use AI in their own board work, often on the most sensitive material the board handles, and often without a policy in place.

Policies lag too: most boards have no formal policy on how directors themselves use AI with board materials.

31%

of S&P 500 companies disclose some level of board AI oversight, up from 24% in 2025.

ISS-CORPORATE, SEP 2026

92%

of directors used AI for board work in the last six months; 60% sit on boards with no formal AI policy.

ONBOARD, 2026

16%

of companies report at least one director with AI expertise; 9% disclose formal AI policies.

ISS STOXX, MAR 2026

21%

of bank directors say AI risks are not overseen by the board at all.

BANK DIRECTOR, JUL 2026

WHAT THIS MEANS FOR BOARDS

AI oversight needs an owner, a process, and a record. A board that depends on one knowledgeable director has expertise, not governance.

AI IS CHANGING THE BOARD'S JOB, **NOT** **JUST THE** **COMPANY'S.**

AI is now part of strategy, operations, and decision-making across the company. It shapes how value is created and how risk arises, often faster than board processes were designed to track.

Directors need to revisit how they oversee AI: who holds responsibility, what they are told, and how they would know when something goes wrong. Three developments deserve particular attention.

1

Decisions are moving faster than the board calendar.

AI is adopted and changed between board meetings. Quarterly reporting built for slower-moving risks can leave directors overseeing decisions that have already been made.

2

Accountability is spread across more parties.

Models, vendors, data providers, and internal teams each shape how an AI system behaves. Without clear ownership, it can be unclear who answers to the board when an outcome goes wrong.

3

The board's view of AI is often incomplete.

Directors may not know where AI is in use, how it affects customers and employees, or how management measures its risks. Oversight depends on information the board does not yet receive consistently.

ACCOUNTABILITY

These changes reach strategy, risk, compliance, and stakeholder trust. **Boards remain accountable for how AI is governed across the company, including AI supplied by third parties.**

COURTS, INVESTORS, AND REGULATORS NOW EXPECT **OVERSIGHT THE BOARD CAN EVIDENCE.**

FIDUCIARY DUTY

Caremark reaches AI

Delaware's duty of oversight is being applied to AI and extended to officers. Directors are expected to show a good-faith, documented system for monitoring the company's use of AI. Technical mastery is not the test.

INVESTORS AND INSURERS

Oversight as a risk signal

Institutional investors increasingly treat AI oversight as relevant to fiduciary duty and stewardship. D&O underwriters may ask whether the board has assigned responsibility, adopted policies, built expertise, and controlled AI disclosures.

REGULATORS

AI-specific rules

The EU AI Act sets governance, transparency, and documentation duties for AI providers and deployers. U.S. states including Colorado, California, and New York are adding their own AI requirements, and the SEC continues to scrutinize how companies describe their use of AI.

THE IMPLICATION

The board needs a record showing how AI oversight is assigned, what information it receives, how decisions about AI are made, and how concerns are escalated. Vela does not provide legal advice and does not replace your counsel.

FIVE QUESTIONS FOR THE BOARD TO ASK ITSELF.

These questions follow the four dimensions of the AI Board Governance Compass: Individual, Board, Organization, and Stakeholder.

The answers should show directors where governance is already strong and where the board needs to act first.

INDIVIDUAL

Do our directors understand their own role and duties in AI oversight?

Each director should be able to explain how AI affects the company and what their fiduciary and ethical duties require of them.

BOARD

Who owns AI oversight on this board, and is it on the agenda?

Confirm which committee holds AI, how it reports to the full board, and how often AI appears on the agenda.

BOARD

Does the board have the AI competence it needs?

Look at the board's skills matrix, director education, and use of outside advisers, so oversight does not rest on one director.

ORGANIZATION

Can management show us its AI strategy, risks, and controls?

Agree on the reporting the board receives on how AI is used, what risks it creates, and how compliance is maintained.

STAKEHOLDER

How do we explain our use of AI to customers, employees, and investors?

Review how AI use is disclosed, how decisions made by AI can be explained, and how stakeholder concerns reach the board.

FOUR PRIORITIES FOR THE NEXT 90 DAYS.

1

Assign and document AI oversight.

Name the committee responsible, update charters, and set how AI matters reach the full board. Move beyond reliance on a single expert director.

2

Define the information the board needs.

Agree with management a consistent view of AI use, critical dependencies, incidents, impact tolerances, and corrective actions.

3

Build director AI fluency.

Invest in education for the whole board, and set a policy for how directors themselves use AI with board materials.

4

Set clear escalation paths.

Agree which AI decisions, incidents, and risks must reach the board, who brings them, and how quickly.

The goal is to make AI oversight visible and measurable throughout the AI lifecycle, from investment and deployment to ongoing operations.

— NEXT STEPS

KNOW WHERE YOUR BOARD STANDS.

The AI Board Governance Compass gives directors a clear view of how their oversight of AI compares with the standard now expected of them, and where to act first.

16 indicators. 4 dimensions.

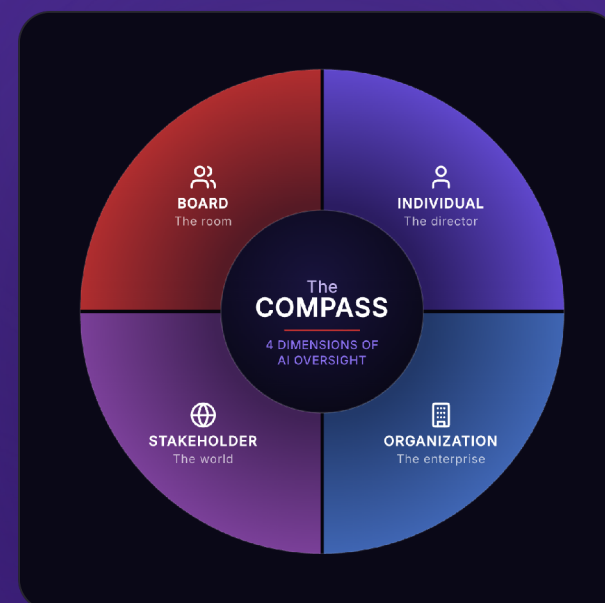
A structured assessment of board AI governance across the Individual, Board, Organization, and Stakeholder dimensions.

A position you can evidence.

Findings the board can record, track, and revisit as AI use matures.

Rehearse before it matters.

Board Simulations let directors practice AI oversight decisions together.



[CHART YOUR POSITION →](#)

[VELABOARDS.COM](https://velaboards.com)