

MOZΔIC

The Organisation of the Future

The Future State AI Governance Model

2025

Future
Ready

Foreword

Artificial Intelligence has moved beyond experimentation. For modern enterprises, AI is now a board-level imperative, reshaping competitive dynamics, operational decision-making, service delivery, risk management, and organisational design.

Yet, according to our own research (which is aligned to that published by Gartner, McKinsey, Forrester and many others), more than 70% of organisations report fragmented or insufficient governance for AI, and fewer than 25% have integrated AI into enterprise controls, exposing them to significant reputational, operational, legal and financial risks.

The message is clear: Maturity and productivity of AI implemented solutions in an organisation cannot outpace the AI governance that surrounds them.

This paper, a part of The Organisation of the Future series, outlines Mozaic's recommended Future State AI Governance Model; a cohesive, enterprise-wide framework that enables organisations to safely scale AI, unlock economic value, and maintain trust with customers, regulators, and society. We recommend a practical approach to building governance, with structures and approaches that enable you to start to operationalise the future ways of working.

The Mozaic AI governance model combines:

- Enterprise oversight and decision rights.
- Ethical and regulatory compliance.
- Data governance, security, and model assurance.
- Human-in-the-loop principles.
- Continuous monitoring and lifecycle control.
- Organisational structures enabling sustainable adoption.

This is not a “compliance add-on”; it is an operating model revolution that paves the way for the AI-enabled Organisation of the Future.

Steve Tuppen
Director and Founder

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Governance Must Evolve to Avoid Significant Risk

AI is accelerating across the enterprise, but organisations lag behind in governance capability:

- 95% claim to have an AI strategy, but only 13% are ready to scale it sustainably.
- 67% of data leaders do not monitor model drift or bias.
- Over 50% of organisations lack AI risk frameworks aligned to emerging regulations.
- 80% of companies have experienced unintended AI actions by generative agents.

AI introduces risks beyond traditional IT governance including explainability, fairness, automation bias, autonomous action, emergent behaviour, data leakage, and legal accountability.

The lack of a clear governance framework results in:

- Disconnected AI pilots.
- Undefined ownership.
- Weak assurance pathways.
- Exposure to legal and ethical failure.
- Erosion of public trust.
- Lost productivity and unrealise

AI will determine future competitiveness, but only if organisations govern it deliberately, boldly, and coherently.

We all inherently recognise the benefits that AI and other emerging technology bring, but failure can be extremely serious. Major, publicly visibility, failures resulting from poor governance surrounding technology implementations have been with us for years, resulting in anything from massive financial impacts, regulatory failure, reputational damage to court cases and public outrage.

But, organisations that create the right foundations will win. These can be summarised as having the following attributes:

Adaptive Governance

Fast, risk-based governance that balances innovation with protection.

Enterprise AI Literacy and Culture

A workforce that understands how to evaluate, challenge, and responsibly use AI outputs.

Federated Accountability

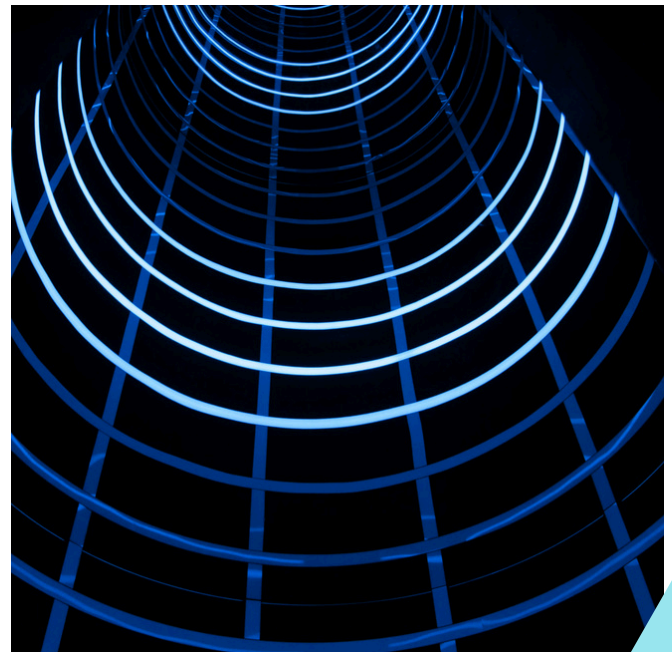
Local ownership embedded in business units, supported by central guardrails.

Outcome-Driven Operating Model

AI governance tightly coupled with value, not just risk mitigation.

Trust by Design

Embedding fairness, transparency, and human oversight into all systems.



The Future State AI Governance Model

Mozaic's future-state design is built around seven foundational principles derived from our AI Governance Pillars, industry benchmarks, and regulatory direction.

1. Enterprise Oversight & Accountability

AI must be guided by clear authority, transparent decision-rights, and a governance board responsible for outcomes

2. Ethical, Lawful & Responsible Use

Governance ensures AI reinforces organisational values, mitigates discrimination, and aligns with legal frameworks.

3. Transparency & Explainability

Users, stakeholders, and regulators must understand how AI influences decisions.

4. Regulatory and Legal Assurance

AI must be compliant by design, with embedded checks for GDPR, Equality Act, and evolving UK/EU AI legislation.

5. Data Governance & Security

AI is only as safe as the data behind it, requiring robust protection, lineage, and minimisation practices.

6. Human Oversight & Decision Support

AI should augment, not replace, human accountability, with clear HITL thresholds.

7. Continuous Improvement & Monitoring

AI governance must evolve continuously, reflecting rapid shifts in risk, technology, and regulation.

Taking these, we recommend building a three governance layers model, ensuring clarity in decision-making, assurance and delivery, and taking a risk-based approach to delivery.

Layer 1 Enterprise Leadership & Strategic Governance

Strategy Governance Board (AIGB)

A cross-functional, board-endorsed forum with responsibility for:

- Enterprise strategy (taking into account AI and other emerging technologies in every decision)
- Risk & compliance oversight
- Investment prioritisation
- Ethical review and societal impact
- Approval of enterprise AI standards

Membership

CIO, CDO, COO, CHRO, CRO, General Counsel, Chief Ethics Officer, plus rotating business-unit leaders.

Executive AI Sponsor

Champions the AI portfolio, ensures alignment to organisational goals, secures funding, and unblocks cross-functional issues.

AI Policy & Regulatory Oversight Function

Provides interpretation of regulations, ensures alignment to legal standards, and maintains a future-ready policy framework.

Layer 2 Operational Governance & Assurance

AI Centre of Excellence

- Sets enterprise-wide standards, policies, and guardrails.
- Defines Responsible AI principles and compliance frameworks.
- Establishes best practices for risk management, ethics, and assurance.
- Provides training, tooling, and advisory support across the organisation.

AI Product Councils

The organisational engine for safe adoption. Responsibilities include:

- Portfolio-level governance and prioritisation.
- Evaluates AI initiatives for business value vs. risk.
- Approves or rejects work based on ethical, regulatory, and strategic fit.
- Acts as a 'bridge' between CoE standards and operational execution.
- Providing enterprise enablement and training
- Coordinating the communities of practice

Authoring AI lifecycle methods & toolkits

Model Operations Function

A dedicated assurance capability providing:

- Embedded governance in day-to-day AI model lifecycle.
- Deploys, monitors, and retrains models with governance checks (bias detection, explainability, audit trails).
- Ensures compliance is automated within pipelines.
- Provides feedback loops to AI Product Councils and the CoE when risks or anomalies are detected.

This function acts as the **second line of defence**, independent from model-building teams.

Data Governance Office

Ensures:

- High-quality, well-governed datasets
- Data lineage/provenance tracking
- Controls for minimisation, access, anonymisation
- Cybersecurity measures to prevent model attacks

Layer 3 Delivery, Adoption & Local Controls

AI Product Owners & Use-Case Squads

Drive accountable delivery of AI features within business domains based on risk profile.

Human Oversight Leads

Role embedded in business units, responsible for:

- Determining "override" scenarios
- Ensuring situational awareness
- Mitigating automation bias
- Checking appropriateness of AI recommendations

AI Community of Practice

A cross-enterprise capability fostering shared learning, standards adoption, and rapid innovation diffusion.

Through the Mozaic governance structures, the Future Ready model defines unambiguous ownership:

Decision Area	Accountable	Responsible	Consulted	Informed
AI Strategy	CEO/CIO/CDO	CoE	AIGB	Board
AI Investment	COO/CFO	CoE + business sponsors	AIGB	Board
Model Approval	AIGB	CoE + Model Assurance	Data, Legal, Ethics	Board
Ethical Decisions	Ethics Committee	CoE	Legal, HR	CIO
Risk Assessment	CRO	Model Assurance	CoE	AIGB
Human-in-the-loop Thresholds	COO + Business Leads	Product Owners	CoE	Workforce

This clarifies who decides, who builds, who assures, and who owns outcomes.

This robust governance model must span the end-to-end AI lifecycle as shown below, regardless of using market available capabilities, building your own solutions or sourcing delivery from suppliers and partners.

▶ **Strategy Definition**

- AI ambition, principles, policies, and funding priorities
- Acceptable Use of AI Policy
- Risk appetite and guardrails

▶ **Design & Build Governance**

- Establish governance layers
- Operationalise governance with appropriate technology support (e.g. automated bias detection, model lineage tracking etc.)
- Data quality checks
- Model documentation and explainability assets
- Bias and fairness audits
- Testing & validation pathways
- Third party AI risk management protocols

▶ **Training and Culture**

- AI governance change programme
- Role based training
- Gamified learning modules
- Governance champions

▶ **Deployment Governance**

- Go-live approval
- Controls for safety, resilience, and legal compliance
- Integration into operational support models

▶ **Monitor & Sustaining the models**

- Drift detection
- Re-training triggers
- Audit logs and traceability
- Incident escalation and redress mechanisms

▶ **Improvement & Renewal**

- Continual measurement (look out for the upcoming paper in this series on this topic)
- Observability-driven enhancement
- Periodic ethical reviews
- Framework updates aligned to regulatory change

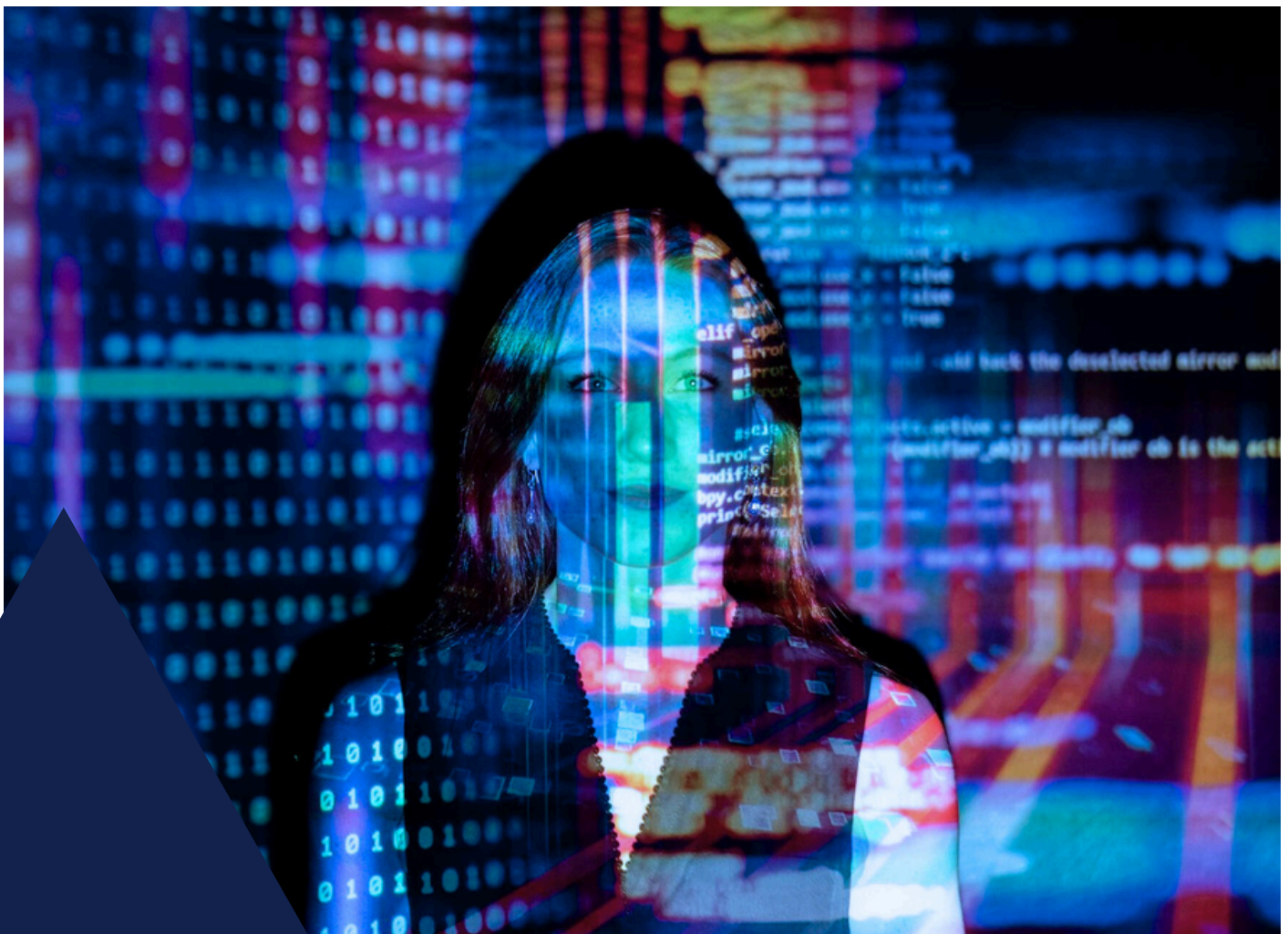
Conclusion

AI will define the competitive horizon for the next decade; but only if organisations embed future-state governance models that are intentional, transparent and strategically aligned.

AI's risks evolve rapidly and so must governance; it is core to any organisations ability to safely and responsibly adopt emerging technologies and realise the expected benefits.

The organisations that succeed will be those that treat AI not as a technology trend, but as a governed enterprise capability, underpinned by clear structures, accountable leadership, ethical discipline, and continuous assurance.

Mozaic's Future Ready AI Governance Model provides the blueprint.



What Next? Free Executive Alignment Briefing

Move from pilots to outcomes
with a shared executive view.

To help leadership teams act with confidence, Mozaic is offering a free executive alignment session. This is a focused session for your board or ExCo to develop a common understanding of what AI adoption really means for your organisation: where value sits, the risks to manage, and the potential operating model changes required across functions, processes, governance, data, tooling, sourcing and people.

In this session we will...

- Clarify your strategic intent and risk appetite for AI
- Map key implications across Mozaic's seven operating model dimensions
- Identify 3-5 priority focus areas and the preconditions for success.

You will receive...

- A one-page executive brief capturing agreed ambition and priority focus areas
- A simple readiness snapshot across the 7 Operating Model Dimensions
- A suggested next-steps pathway to inform deeper assessment, design, and business case work

With independent evidence showing most AI initiatives are failing to deliver returns, early alignment is the fastest way to avoid wasted spend and to target value safely and at pace.

Get in touch. [Click here](#)

The background of the entire page is a dense, abstract composition of glowing fiber optic cables. The cables are primarily in shades of vibrant blue and lime green, with some yellow highlights. They are arranged in a complex, overlapping pattern that creates a sense of depth and movement, resembling a tangled web of light. The overall effect is futuristic and high-tech.

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