

AI projects in scoping phase

Strengthening AI Audit including Assurance across the Supply Chain

IG is aware of an increase in advice being sought from FPS firms on how to manage the risks of AI across their supply chain. This is causing a barrier to unlocking the potential of AI within businesses. It also acts as a barrier to AI companies trying to integrate their solutions into firms. Also, many UK FPS firms will fall within the remit of the incoming EU AI Act. Where it applies, the Act will require an organisation to effectively audit its use of AI and ensure that it complies with the requirements under the Act. There will be significant financial and reputational penalties for failing to comply and a limited timeframe within to confirm such compliance. IG has worked with an external consultancy to identify how it can best add value and support UK FPS in this area. This includes the possible publication of standards and/or a toolkit to guide best practice. Further engagement with the FPS and technology communities over the coming months will help to focus this activity with delivery expected in Q4 2024/Q1 2025.

Responsible Technology Adoption Unit (RTAU) Portfolio of AI assurance techniques

A key barrier to the use of AI is a lack of trust in the systems in use. AI assurance increases confidence in a specific use of AI by demonstrating its compliance with various regulations, standards and ethical guidelines. However, this can be difficult to do in practice. The RTAU has created a portfolio of case studies providing real world examples of assurance techniques that have been used within organisations. IG has been reaching out to the financial services sector to create a new FS-focused set of use cases. These will be published so that others from across FPS can use to measure, evaluate and communicate the trustworthiness of AI systems.

City of London is currently undertaking a scoping exercise focused on digital verification in financial services and the UK economy

Digital verification is a critical component of AI assurance infrastructure. It holds a foundational role in establishing the trustworthiness and reliability of AI systems. The central challenge in AI assurance is dealing with the complex nature of AI technologies. These present a diverse array of risks and are employed in various contexts. Digital verification serves as an indispensable tool in this landscape. It offers a robust framework for evaluating and validating AI systems. Its significance is amplified by the increasing reliance on digital channels by private and governmental entities. This necessitates secure and efficient identity verification processes. In essence, digital verification in AI assurance acts as a gatekeeper, ensuring that the deployment of AI is both secure and aligned with ethical standards. Therefore, it plays a pivotal role in the sustainable growth of the AI market.