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Welcome to the webinar

Navigating AI and good governance

16 May 2024

Agenda

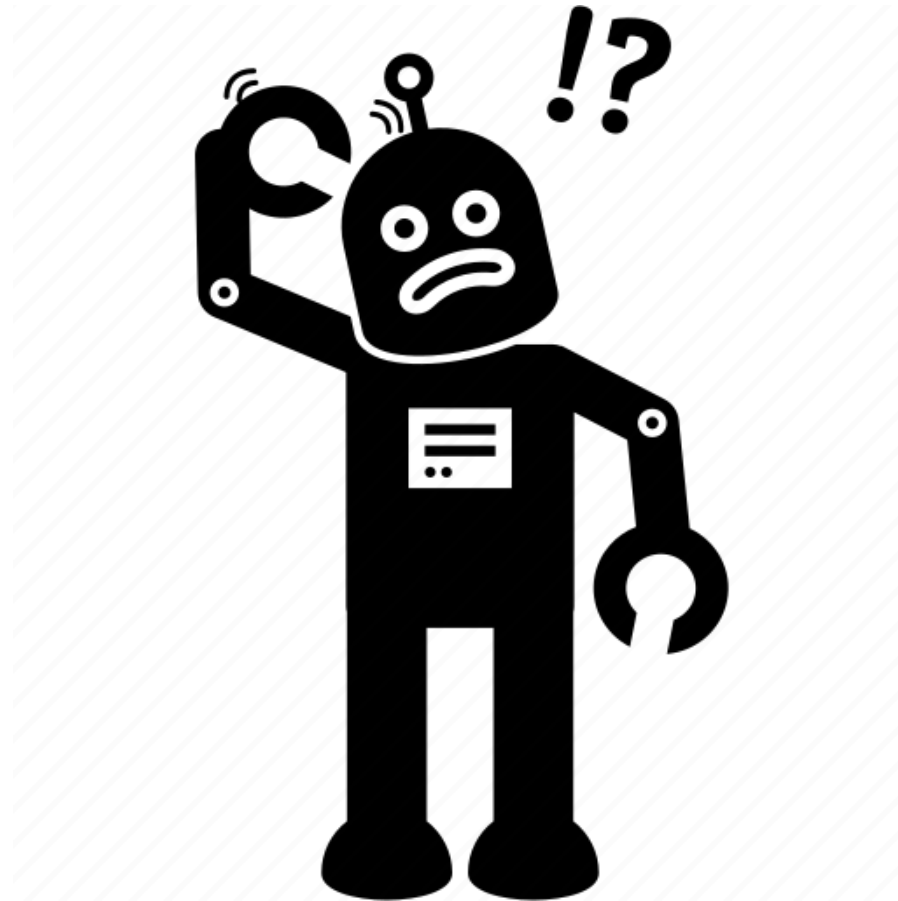
- 11:00 – 11:05: Hugh Swainson - Welcome, introductions and virtual housekeeping
- 11:05 - 11:25: Guy Marshall - Introduction to AI
- 11:25-11:45: Questions and discussion
- 11:45 – 12:00: Zoe Amar - AI and governance for charities
- 12:00-12:20: Questions and discussion
- 12:20 – 12:25: Guy Marshall - Observations: AI governance
- 12:25-12:30: Hugh Swainson - Thank you to speakers and close

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Introduction to AI and digital governance

Hugh Swainson



Charity Digital Code – 7 Principles

1. Leadership
2. User Led
3. Culture
4. Strategy
5. Skills
6. Managing Risk and Ethics
- 7 Adaptability

**</CHARITY
DIGITAL
CODE >**

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Introduction to AI

Guy Marshall

genAI: Text (“natural language”)

For your next presentation, whether to an internal audience or a group of external stakeholders, you need enough time to cover each topic effectively without overwhelming your audience with too much information on each slide. Here's a suggested breakdown of slide titles:

- 1. Title Slide:** Title of your talk, your name, and possibly the logo of the organization you're representing.
- 2. Introduction to AI:** Brief overview of what AI is and its relevance to charities.
- 3. Benefits of AI for Charities:** Highlighting the potential advantages such as efficiency, outreach, and resource allocation.
- 4. Challenges and Risks:** Discussing the obstacles and potential downsides of AI adoption in charities.
- 5. Ethical Considerations:** Diving into the ethical implications of using AI in charity work.
- 6. Regulatory Frameworks:** Overview of relevant regulations and guidelines for AI governance in the charity sector.
- 7. Transparency and Accountability:** Exploring the importance of transparency and accountability in AI systems.
- 8. Data Governance:** Discussing best practices for handling data in AI projects.
- 9. Stakeholder Engagement:** Emphasizing the need to involve various stakeholders in AI initiatives.
- 10. Capacity Building and Training:** Highlighting the importance of training and skill development for charity staff and volunteers.
- 11. Case Studies and Examples:** Presenting real-world examples of AI implementation in charities.
- 12. Future Trends:** Exploring emerging trends in AI and governance that may impact charities.
- 13. Key Takeaways:** Summarizing the main points covered in the talk.
- 14. Call to Action:** Encouraging the audience to take action based on what they've learned.
- 15. Q&A:** Slide for questions from the audience, if time allows.

Remember to keep your slides concise and visually engaging, using images, graphs, and bullet points where appropriate to complement your spoken presentation. Also, practice your timing to ensure you can cover each slide adequately within the 30-minute timeframe.

Message ChatGPT

genAI: Images



AI terminology cheat sheet

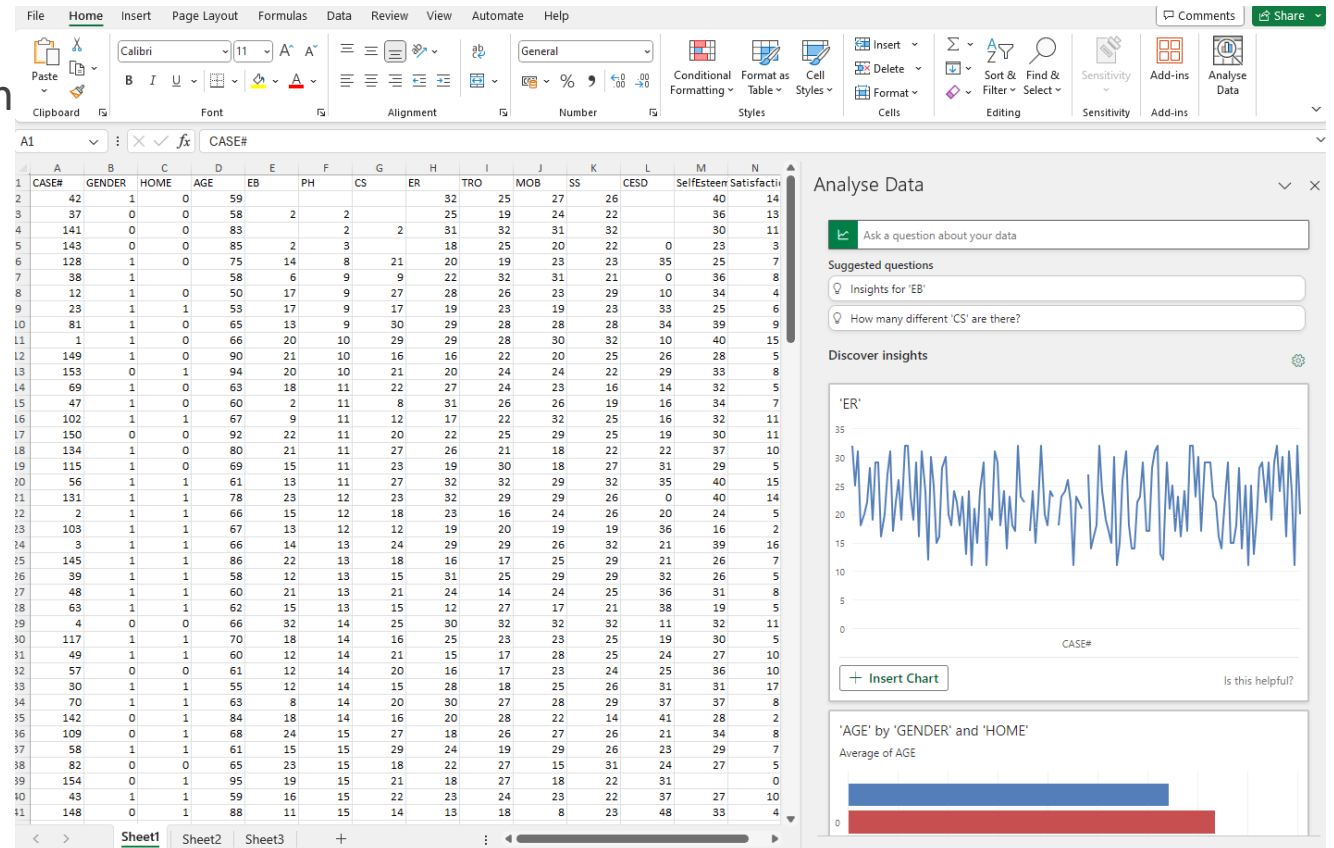
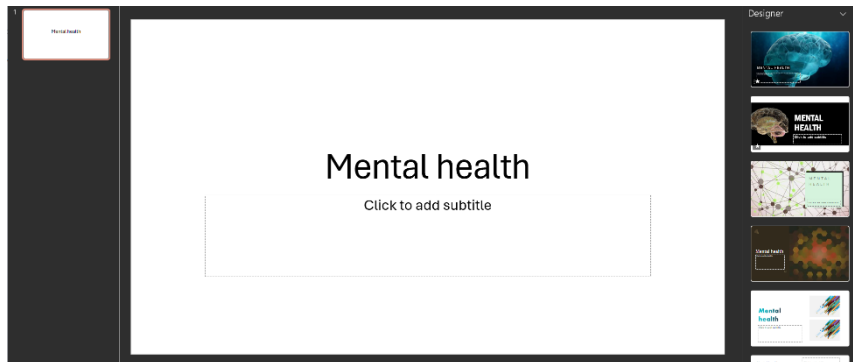
- **Generative AI** (“genAI”) e.g. ChatGPT, DALL-E-2. A way of accessing a generative model
- **Generative pre-trained transformer** (“GPT”). A type of generative model used with text e.g. GPT-4, LLaMA, Bard
- **Large language models** (“LLMs”). Text-based models trained on vast data e.g. GPTs
- **Machine learning** (“ML”). A set of algorithms that update themselves e.g. Neural networks (used in LLMs). Requires less human input to train than “analytics”
- **Training**. The initial use of data to set up a machine learning algorithm. Requires “Compute”
- **Foundation models**. Machine learning models that are trained on broad data such that it can be applied across a wide range of use cases
- **Artificial General Intelligence** (“AGI”). Digital, human-level intelligence
- **Artificial Intelligence** (“AI”). One or more of the above definitions(!)

AI reflects the data it is trained on

- Some models are trained on large data (e.g. ChatGPT) and sometimes *configured* or *fine-tuned*, and are usually *pretrained*. Good for general applications with underlying mathematical patterns such as chatbots (but risky for e.g. racist comments).
- Some models are trained on specific data (e.g. weather forecasts). These are good for specific questions and problems outside publicly available data (or data the AI-builders have access to).

Microsoft capabilities

- Natural language to pre-populate existing function
- Integrated (or add-ons)
- \$13bn investment in OpenAI
- Immature



LLM capabilities being used in management

- e.g. reformat notes as meeting minutes
- e.g. perform a SWOT analysis
- e.g. write a letter / blog post / contract (better if more common topics)
- e.g. summarise, restructure, simplify, reword text
- e.g. analyse data
- e.g. remove any personal information
- e.g. language translation

Integrating LLMs with business processes (e.g. CRM systems)

- e.g. draft customer support emails
- e.g. script generation
- e.g. categorising issues
- Human-in-the-loop advisable



I hope this email finds you well

I reference the above project and attach our building regulations package for your review. Please let me know if you have any comments regarding my interpretation of the structural work.

Please note that we have requested to change the centric foundation clouded in blue for an eccentric foundation to allow for drainage pipe clearance.

I have copied our client into the email to keep everyone in the loop.

Regards
Andrew

 Automation for Jira 16 January 2024 at 12:08 •  Internal note

Template text: Hi Andrew,

Thank you for sending over the building regulations package for review. I will take a look and get back to you with any comments or suggestions.

Regarding the requested change from a centric foundation to an eccentric foundation, I understand that this is to allow for drainage pipe clearance. I will assess the feasibility of this change and advise accordingly.

I appreciate you keeping the client in the loop, as it helps to ensure effective communication and transparency throughout the project.

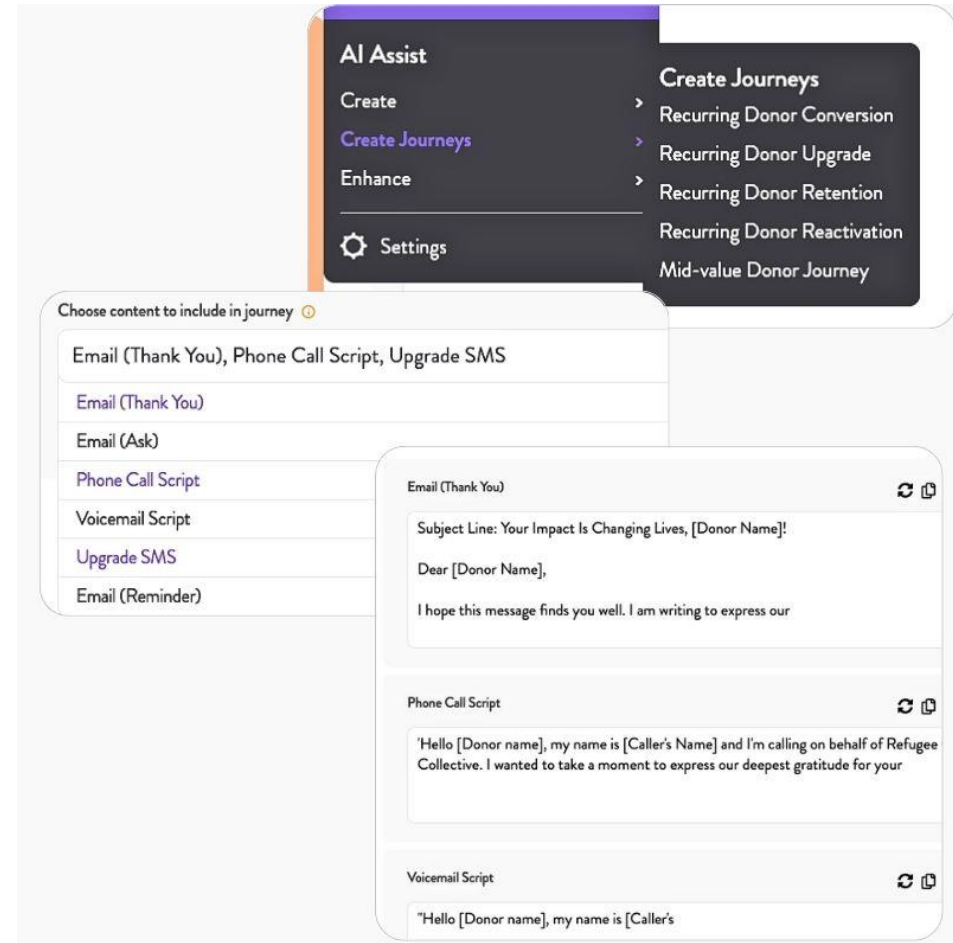
I will be in touch soon with my review and any necessary recommendations.

Best regards,

[Your Name]
PorthouseDean Structural Engineers

Dataro “AI assist” for fundraising

- “Like ChatGPT, but for fundraisers”
- Integrates with CRM
- Used by e.g. UNICEF, Red Cross, Save the Children, Pancreatic Cancer UK
- Customers say results in less mailing and better ROI (e.g. because 65% of donations come from 5% of donors)
- \$20/month/user-ish
- The 2023 Charity Digital Skills report suggested that 35% of charities were already using AI for certain tasks and that a further 26% had plans to do so in the future. The majority of charities (78%) agree that AI is relevant to their charity and could transform it, yet 73% say they don’t feel prepared to respond to the opportunities and challenges it brings.



Risks and threats

- LLMs at present have no “knowledge”, just “spicy autocomplete”
- Reflects what it has been trained on: Inevitably biased
- Regulatory issues e.g. use in medical diagnosis
- Unresolved IP issues
- FraudGPT, WormGPT. Fraud and cyber risk
- Ethical concerns can be hard to audit or explain e.g. in HR, or where protected characteristics are correlated with other data
- Generally limited staff understanding, with access to a powerful toolkit
- Meta-threat: Pace of change
- Challenging to invest effectively for the long term

Difficulty vs value



easier

*assuming systems and data quality ok

harder

Good uses of machine learning (where analytics insufficient)

- Clustering (e.g. similar types of customer)
- Patterns (e.g. missing a rent payment is more likely in April)
- Correlated factors (e.g. ice cream sales increase when lettuce sales increase)
- Probabilities (e.g. Person A has x% chance of donating during this campaign)
- Signal in noise (e.g. stock markets)
- Prediction (e.g. for resource allocation)

Note: e.g. Actuaries already forecast mortality using large amounts of data. With AI this can become controversial “What if AI knows your death date?” (Financial Times, 19 Jan 2024) and

<https://deathcalculator.ai/>

How ML might change the game: Potentially transformative



Horses and hammers

- “If I had asked people what they wanted, they would have said faster horses” – attributed to Henry Ford
- “If the only tool you have is a hammer, you tend to see every problem as a nail” – Abraham Maslow, 1966
 - “If the only model you have is a language model, you tend to see every problem as a text-based one.” – Guy & ChatGPT, 2024

Right: “A cybernetic horse capable of going 100 times faster than a horse”, Midjourney



Suggestion actions and key takeaways

- Consider creating a strategy for digital and data, including AI.
- Aim to get benefits of AI without investing in complicated, expensive, “waterfall” R&D. Identify key opportunities in your business for automation, likely customer service or prediction. Analysis and LLMs for quick wins, if done ethically.
- Support existing technical team in using off-the-shelf AI tools, probably integrated with your existing tech stack.
- Review data governance and data structures, get consent to use data you might wish to utilise in the long term for 10x improvement with machine learning
- Focus areas:

Data and governance Cyber

Culture and Skills

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Questions and discussion

Hugh Swainson

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AI and governance for charities

Zoe Amar

What's keeping you awake at night about AI?



How is AI changing your charity?

- **52%** want to look into AI more but are constrained by lack of time, resources and skills, whilst 42% are trying to get colleagues to engage
- Some charities are also taking action to improve their readiness for AI, with **30%** improving data maturity, and 26% exploring how to use AI strategically
- **64%** of large charities are currently using or plan to use AI in their day-to-day operations, compared to 44% of small charities

Source <https://charitydigitalskills.co.uk/>

What this means for your charity

- Staff are likely to be using AI already
- They will need parameters, guidance and support
- Beneficiaries' expectations around speed of response and personalisation will change
- Staff need space and incentives to learn at pace
- Horizon scanning for new trends is critical

Key questions for trustees

- Will beneficiaries **rely on AI tools**, rather than charities, for services, information and advice?
- Will beneficiaries', donors' and volunteers' **expectations change**? Eg expectations around speed of response/personalised recommendations?
- Have we **scenario planned** for how AI could affect our charities?
- How might we avoid knee jerk reactions to **automating roles**?
- Could AI create **new competitors** to charities?
- Have we given staff the **space and time** to learn about AI?
- How might we ensure an **inclusive** approach to AI?
- Can we run **small pilot projects** to test out its impact?
- Do we need to develop **an AI policy**? Have we updated our data policy?
- Is our board **skilled up** in AI? Do they know enough to provide scrutiny and make informed decisions?

Key questions for trustees

- Give your team space and time to learn
- Try it out and lead by example
- Give staff clear parameters on use
- Skill up your board
- Review your policies and governance
- Allow time for horizon scanning

AI checklist for charity trustees and leaders

<https://zoeamar.com/artificial-intelligence/ai-checklist-for-charity-trustees-and-leaders/>

The aim of this checklist is to help you:

- Create a shared understanding of AI amongst trustees and leaders
- Make the right decisions about AI
- Review progress so far

Includes context on what AI is and how charities are using it

- Step by step conversation guide about where AI could be part of different areas of your charity eg skills, ambition and purpose, services, inclusion

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Questions and discussion

Hugh Swainson

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AI and governance good practices

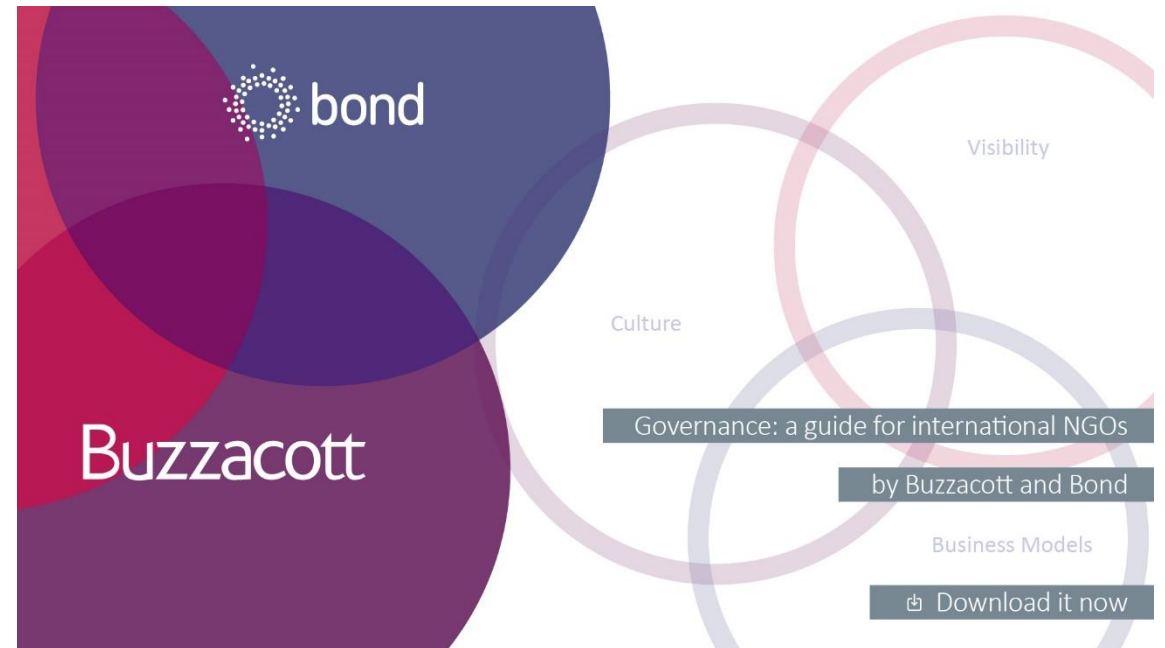
Guy Marshall

How does AI governance usually work?

- Often, AI sits as part of IT governance (especially if developing AI tools)
- AI spans many areas and is (e.g. ChatGPT usage) difficult to “control”
- Understand this is not just about tech, nor just data, it is about culture (related to the above point, and also to lean thinking)
- Some regulation exists (depending on geography and sector), and more is likely to come.
 - In the UK, “AI is currently regulated through existing legal frameworks like financial services regulation” ([reference](#))
 - The [Whitepaper on AI Regulation](#) here being adopted by regulators in specific sectors, following the [Plan for Digital Regulation](#).
 - AI Safety Summit in Nov 2023 led to 28 countries agreeing “ to identify, evaluate and regulate the risks of using AI” i.e. this is emerging
- Consider: How do you address add AI topics within your Risk and Control processes?
 - e.g. increased Cyber risk, data risk, IP, copyright (both of your IP and of others’)

Good practices for governance: Bond guide

- Check the [Bond guide on governance](#), with “Key questions” on different areas. As with “digital”, AI can impact all areas.



Additional governance considerations with AI part 1

Culture

- Safeguarding:
 - How do you monitor your organisational culture, and have you taken steps to *proactively* identify safeguarding issues?
- Partnership:
 - Can your technology choices support decolonisation*?

Business models

- Strategy:
 - Does your strategy consider rapid changes in technology including AI?
 - Have you considered how new technology can enable or reshape the organisational model to deliver your mission?
- Governance
 - How do you stay compliant with AI and data regulation across legal jurisdictions?

Additional governance considerations with AI part 2

Visibility

- Internal accountability:
 - Do you have digital systems in place to monitor key risks and allow for timely intervention?

* There are societal-level risks with power and centralisation because of how AI Foundation models are being developed.

Using AI responsibly

Does this AI system solve the right problem, in a strategically-aligned way?

Have you demonstrated it is necessary to use AI for this, rather than an analytical and more explainable approach?

} Great questions for anyone to ask

- **Empathy:** Organisations should understand the societal implications of AI, alongside the technological and financial aspects, and anticipate and address the impact of AI on all stakeholders.
What impact could [a specific AI system] have on [a specific stakeholder type]?
- **Bias management:** Examine training data and analytical models to understand embedding of real-world biases into AI algorithms.
Have you considered correlated factors that might cause unwanted bias?
- **Transparency:** There should be openness in how AI algorithms operate and make decisions, with organizations ready to explain the logic and reasoning behind AI-driven outcomes.
How will we communicate about our use of AI specifically? How will we audit and explain results, beyond regulatory requirements?
- **Accountability:** Organisations should proactively set and adhere to high standards to manage the significant changes AI can bring, maintaining responsibility for AI's impacts.
Who will be responsible for the use of AI [in a specific application] and how will this be monitored?

Next steps: Where else to get support on AI and AI governance?

- Most major consultancies, tech providers, your staff, news outlets (especially the FT)
- Funded UK government upskilling programmes
- Your INGO peers (e.g. via Bond)
- The AI landscape is rapidly changing, and governance needs to be adaptable. AI Governance is not mature in any sector
- Other providers and resources:
 - Zoe Amar: <https://zoeamar.com/artificial-intelligence/ai-checklist-for-charity-trustees-and-leaders/>
 - Charity Commission: <https://charitycommission.blog.gov.uk/2024/04/02/charities-and-artificial-intelligence/>
 - Charity Excellence: <https://www.charityexcellence.co.uk/charity-ai-governance-and-ethics-framework/>
 - Blogs (e.g. <https://www.thinknpc.org/blog/ai-for-charities-what-you-need-to-know/> and <https://www.cafonline.org/about-us/blog-home/ai-for-charities-bringing-donors-and-staff-on-the-journey>)
- Existing digital governance guidance (e.g. <https://charitydigitalcode.org/the-code/>)
- Case studies:
 - <https://frompoverty.oxfam.org.uk/how-do-we-start-thinking-about-ai-and-development/>
 - <https://www.linkedin.com/pulse/wave-artificial-intelligence-coming-ingos-must-ride-adama-coulibaly>

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Closing discussion

Hugh Swainson