

SIMULATED CASE STUDY

AI Use-Case Approval Decision Memo

AI Governance Committee

Project	AI governance and use-case risk assessment (Project 4)
Company	Northstar Financial Technologies (fictional)
Status	Simulated; no certification or conformance claimed
As of	2026-09-30
Committee date	2026-09-24

This document is part of a portfolio exercise. Northstar Financial Technologies, its people, systems, records and findings are invented. No real audit was performed, no assurance is given and nothing here is a certification or compliance claim.

1. Decision requested

The AI Governance Committee met on 2026-09-24 to decide on two use cases. Both use Lumenvale AI Ltd., which Project 3 restricted (residual risk High).

Use case	Overall: inherent / as proposed / after gates	Decision
AI-01 Customer Support Response Assistant	High / High / Medium	Conditionally approved (limited pilot)
AI-02 Policy and Procedure Document Analyser	High / High / Medium	Not approved: must not proceed

AI-01 Customer Support Response Assistant: Conditionally approved (limited pilot)

Pilot with at most 10 agents, retrieval over approved knowledge-base articles only, API tier only, no automatic sending. Go-live only when gates AI-01-G01 to G08 are evidenced.

Reasons: The use is customer-facing and the vendor evidence is incomplete, so residual risk is High as proposed. With human approval enforced technically, approved-content retrieval, evaluation, monitoring and the vendor conditions closed, residual risk falls to Medium, which the AI Governance Committee can accept. A pilot is proportionate because the benefit is real and the tool can be switched off within an hour.

Gates

Gate	Requirement	Status
AI-01-G01	Written confirmation from Lumenvale of prompt and output retention, no model training on Northstar content, and a subprocessor list, for the API tier	Blocked by 3 open vendor issue(s) in Project 3
AI-01-G02	Incident notification clause with a stated time limit, content and named contact	Blocked by 1 open vendor issue(s) in Project 3
AI-01-G03	Privacy impact assessment completed, including cross-border handling and redaction of identifiers	In progress
AI-01-G04	Technical enforcement that no reply is sent without agent approval	Not started
AI-01-G05	Pre-deployment evaluation on a representative ticket set with documented thresholds met (material error rate at or below 2%)	In progress
AI-01-G06	Prompt injection and data leakage tests passed	Not started
AI-01-G07	Logging of prompt, sources, draft, final reply and approver in place with a retention period	Not started
AI-01-G08	Monitoring plan live and the AI incident playbook rehearsed with support supervisors	Not started

AI-02 Policy and Procedure Document Analyser: Not approved: must not proceed

No use of the document-upload tier or any external AI service with Northstar internal documents until gates AI-02-G01 to G08 are evidenced and the use case is resubmitted. Interim: employees must not upload Northstar documents to Lumenvale.

Reasons: The documents include confidential, personal and privileged content, the vendor's upload-tier terms are unknown, and the intake relies on users to catch errors with no technical control. The residual risk is High on privacy, oversight, security and supplier dependency together, and the business value does not justify the exposure while those are open.

Gates

Gate	Requirement	Status
AI-02-G01	Written terms for the document-upload tier: retention, no model training, subprocessors, incident notification; or an alternative provider	Blocked by 3 open vendor issue(s) in Project 3
AI-02-G02	Classification gate that blocks upload of board papers, privileged and Restricted documents	Not started
AI-02-G03	Per-user document isolation and upload limited to documents the user may access	Not started
AI-02-G04	Technical traceability: every answer shows the source passage and requires acknowledgement before reuse in a record	Not started
AI-02-G05	Privacy impact assessment and legal review of privilege and confidentiality risks	Not started
AI-02-G06	Accuracy evaluation on a representative set of policy documents with documented thresholds	Not started
AI-02-G07	Upload and access logging with monthly access review	Not started
AI-02-G08	Monitoring plan and AI incident playbook adopted and rehearsed	Not started

Interim rule

Until gates are closed, no Northstar document may be uploaded to any external AI service, and no AI-drafted reply may be sent to a customer. This follows the restriction decided in Project 3.

Limits

Ratings are judgement on a three-level scale. Evidence about the vendor is fictional scenario content. Gate target dates are proposals.