#ECEC 2023 : SHORT RESUME OF PANEL DISCUSSION – COMPL[AI]ANCE – HOW FAR CAN WE GO?

WITH

Christian Hunt, Anne Vogdt, Francois Heynike and Sandrine Richard.

Compl(AI)ance – how far can we go? The panel consists of Christian Hunt, Founder and CEO of Human Risk, Anne Vogdt, Head of Compliance and Data Protection at FREENOW, Francois Heynike, Partner at KPMG Law and Sandrine Richard, an expert in business ethics, corporate security and economic intelligence and Head of Ethics and Corporate Responsibility in French Compliance Society.

What is ethical leadership? "The best way to do is to be". - Lao Tzu

Leaders play a crucial role in business and politics, because they have been chosen to guide others.

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Artificial intelligence (AI) has revolutionized many professional fields, and the legal and compliance sectors are no exception to this transformation as compliance teams are called upon to use AI and other technologies to cover various tasks. AI offers significant opportunities to optimize process efficiency and strengthen compliance. As part of this digitalization process, companies must necessarily ask themselves about the impacts of AI.

Ethics and compliance departments can now leverage new technologies to detect signals or behaviors characteristic of reprehensible or criminal malfunctions such as non-compliance with internal policies and procedures, regulatory violations or, more specifically, the detection of corruption, collusion or fraud schemes.

While AI can speed up data analysis and detect certain breaches more quickly, thanks to its ability to process large volumes of data, it is only a tool and cannot replace human intervention in certain cases. In fact, the advantage of this innovation lies in its ability to learn from integrated data as it is used. On the other hand, since data is an indispensable resource, this creates a number of difficulties:

Not every novelty can be processed without human intervention.The response given will depend on the quality of the integrated data.The compliance officer must therefore intellectualize his function and consider a more strategic role, based on intuition and experience.

Specific examples of AI usage

- Risk mapping and proactive prediction
One of the fundamental pillars of compliance functions is risk mapping. Thanks to AI, this task can be carried out more efficiently and accurately. Machine learning algorithms can analyze huge quantities of data from a variety of sources, identifying patterns and trends that are often difficult to discern using conventional methods. These analyses enable proactive prediction of potential risks, helping compliance professionals to design targeted strategies to prevent them.

- Optimizing procedures and controls
The implementation of procedures and controls is a crucial step in compliance functions. AI can play a central role in automating and optimizing these processes. Thanks to advanced algorithms, it can streamline workflows, reduce repetitive manual tasks and thus enable professionals to focus on higher value-added activities. What's more, AI tools can perform more frequent and thorough checks, strengthening oversight and compliance.

- Enhanced levels of control
Compliance functions frequently involve multi-level controls to ensure compliance with standards. AI can be integrated into each of these levels, providing sophisticated analysis capabilities to assess compliance. From the analysis of financial data to the assessment of interactions with stakeholders, AI can provide in-depth and rapid analysis, enabling more informed decisions.

-Ensuring ethical, data-protecting AI

While AI promises considerable benefits, it is imperative to guarantee its use in an ethical and data-protective manner. Compliance professionals must be attentive to the selection and design of AI models, taking care to avoid discriminatory bias and guarantee data confidentiality. Transparency in the decisions made by AI algorithms is crucial to building trust and ensuring responsible use.

So one of the key challenges for many around the use of AI is how best to exploit it for the needs of a company – the needs of Human and IA will always stay " a tool" to help Human and not the opposite.

summary written by Sandrine Richard, Head of Ethics and Corporate Responsability of the French Compliance Society who spoke in Munich on October 17 on an interesting panel to discuss the impact of AI for compliance with Anne Vogdt Christian Hunt Francois Heynike