

# Alan Johnson

## opening and closing of the 10<sup>th</sup> colloquium



I welcome you to the memorandum of the Good Governance Academy's 10th colloquium. It was really an honour to be asked by its esteemed patron, Professor Mervyn King, to take over the position as chair. As you many of you will know, Mervyn has been an ardent protagonist and indeed a campaigner for high quality governance. And more importantly, effective governance right across the world for over three decades. Mervyn has led the eminent persons group of the UN Governance and Oversight, the Global Reporting Initiative, the International Integrated Reporting Council, the Integrated Reporting Committee of South Africa, and of course, the globally known King Committee on Corporate Governance. So, with Mervyn's very strong links with international institutions, with universities, business schools, professional bodies and many others, he has the attention of governments, of regulators, politicians, business leaders, and the professions to drive higher standards of governance right across the world. It was Mervyn's passion that infected me first when I shared a stage with him back in London in 2006 to discuss trust and ethics in business.

The Good Governance Academy is a nonprofit organization that collaborates globally and shares informational crucial business issues is a public good and of significant public interest which aligns with many of the UN Sustainable development goals, particularly to the collaboration piece, which is number 17 and number four, which is quality education. Today is the 10th colloquia. The previous colloquia have included very relevant topics, including sustainable value creation, integrated thinking and reporting, ESG, which is so topical and relevant today, the creating of value right across society, connecting financial and non-financial information, and sustainability reporting.

This colloquium discussed and addressed the risks and opportunities of generative IT. There almost isn't a day that goes by where there isn't something on generative AI. It is so critically important to the whole of society, and we need to understand it. We need to embrace it, and we need to take advantage of it. I'm really delighted that we have an exciting agenda today. AI is not new, certainly not, and has been used for many years for beneficial impact. Generative AI takes it to another level and is transforming business models and making a revolutionary impact on outcomes for humanity, which includes things like human wellbeing, hopefully peace and certainly prosperity for all. But there is some urgency to understand not only the opportunities of generative AI, but also the risks.

The global AI summit, the safety summit, held in the UK's Bletchley Park was an important step in bringing together political and business leaders, regulators and other experts to work collaboratively to promote inclusive economic growth, sustainable development. Protecting human rights and fundamental freedoms and importantly, to foster public trust and confidence in AI systems to fully realize their potential. The summit emphasized the need for the safe development of AI to achieve the opportunities for all, including public services, covering health and education, things like food security, clean energy, addressing biodiversity issues, and of course climate. And all of these must be towards the achievement of the UN's Sustainable Development Goals.

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I've talked about some of the opportunities, but we should, of course, not ignore the risks because these could be significant, including, unfortunately, the manipulation and the generation of deceptive content. And in the context, as we sit here today with political elections taking place in the next 12 to 18 months, it is so important that we ensure citizens get the right information so they can make their choices in terms of who will be leading us going forward.

Many of the risks associated with generative AI are inherently international in nature, and they cannot be addressed alone by any individual body or any individual country. This is why they must be addressed through cooperation at an international level. I also want to stress that ethics and ethical behaviour are no doubt at the heart of creating a safe and controlled AI, not only in terms of creating the guardrails, but also for a better understanding of the value that AI can create.

So, the colloquium, necessarily, addressed both risks and the opportunities.

I'm a professional accountant so naturally, you would expect me to sort of say something about the role of accountants. Professional accountants and finance professionals are trained to understand how business models work, how to assess risks and opportunities, how to ensure that they're effective controls and governance in every organization, be they public or private, and with all our work underpinned by the code of ethics for professional accountants in order to deliver our services in an ethical way.

Corporate boards are waking up to the opportunities and the challenges of AI and they need to have the visibility to understand how to implement AI in their businesses, how to assess the opportunities, and of course the risks, and how to support management in such implementations whilst, of course, importantly, remaining sceptical and providing the necessary oversight.

We all know that there are many unknowns that we are not capable of fully comprehending or even quantifying today. And that's okay, but this means that business leaders, policy makers, and experts need to remain more alert, more vigilant, and more agile than ever before. We're living in a very challenging world, and we absolutely desperately need competent, effective, and visionary leadership that puts the public interest at the heart of all of the decisions that they make in order to achieve the short, of course, term, and medium-, and long-term sustainability goals for both societies and economies.

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Thank you to those who joined the colloquium, for your questions to the panel, for sharing your thoughts, and your experiences in the chat. Thank you to the panellists Rachael, Andrea and Roger for their preparation and time. I would also like to recognize the tremendous effort and work of Carolyn, our CEO for her tireless work over many years leading the GGA with limited resources, and the significant impact that this is having right across the world.

Of course, none of this would have been possible without the vision and the passion of our patron, Mervyn King, who established the GGA and started the colloquia just, I think, over four years ago. Mervyn, you've been a leading light in focusing the world on important and good governance and ethical and effective leadership, both in the public sector, but also importantly, right across the corporate world. I've been personally inspired by your passion, and this helps me every day to hold myself to the highest standard of ethical behaviour and this helps me to discharge my responsibilities, both as an executive in the past, and today as a non-executive director. I hope the impact of the colloquium and this memorandum will help shape the future of our society. We clearly need to enhance governance everywhere and this has come out right across the conversation over the last two and a half years. There is still much to do to enhance the scrutiny of boards and those charged with governance. As Mervyn often says, responsibility, not abdication.

We know that we get the best outcomes when knowledge is shared in diverse settings where there is a broad representation of society. We need to ensure that we continue to attract the younger generation and ensure that their insights and their views shape both public and corporate policies. Because the next generation will be significantly benefiting from, and impacted by generative IT, so we need them to part of conversations today as we navigate our way to get the full value of technology.

52% of the colloquium attendees said they did not use AI. Hopefully the colloquium stirred your curiosity and provided you with the courage to explore using generative AI to create sustainable value in society. There was mention of the approach to "seek forgiveness, not permission" to which I would like to add the concept of comply or explain. I hope that we get to the concept of comply and explain. I don't think it should be an "either / or" why we should not comply with good regulation and laws if they're good. If they're not good, we should be part of making sure that they're better.

It was clear from our attendees their privacy concerns with Gen AI, the insufficiency of internal controls and the erosion of management skills, and, interestingly, the compromise of public trust and governance. The attendees were also concerned about ignoring social harms, manipulated decision framing and content.

We are looking forward to hearing from you about what the 11th will be in May next year. And of course, the 12th in November next year. But for now, I thank everyone for taking part, for your interest in what the GGA does. Please continue to support and follow what we do and contribute to what we do, because none of us individually has all of the answers. but collectively we probably do.

It was a pleasure to open and close the colloquium.