

The CXO AI Audit Checklist

A board-ready, business-first assessment of AI readiness

This two-page checklist helps CXOs assess whether AI in their organization is a strategic capability, an operational experiment, or an unmanaged risk. Score each item honestly to get a clear snapshot of AI readiness.

Scoring Scale (apply to all sections):

- 0 = Not addressed or unmanaged
- 1 = Aware but informal or inconsistent
- 2 = Defined and partially operational
- 3 = Institutionalized and leadership-owned

1. Strategy & Business Alignment

- AI priorities linked to top business objectives
- Clear business ownership for AI initiatives
- Explicit clarity on where AI should not be used
- Business KPIs define AI success

2. Use Case Quality & Focus

- Use cases prioritized by value and feasibility
- Low-value AI experiments consciously stopped
- Clear distinction between automation and decision intelligence
- Structured progression from pilot to scale

3. Data & Information Readiness

- Critical data sources are known and trusted
- Data quality issues are measured
- Clear accountability for data access and usage
- Leadership understands data constraints

4. Operating Model & Ownership

- Defined ownership for build, run, and outcomes
- AI embedded into existing workflows
- Human-in-the-loop models clearly defined
- Roles and incentives reflect AI responsibility

5. Governance, Risk & Control

- Clear guardrails on prohibited AI actions
- Explainability and traceability built in
- Escalation and override mechanisms defined
- Failure and rollback scenarios planned

6. Talent, Capability & Adoption

- Leaders understand AI impact on decision rights
- Teams trust and challenge AI appropriately
- Training focuses on judgment, not tools
- Change management planned and resourced

AI Readiness Index (Maximum Score: 72)

0–24: AI is largely narrative

25–48: AI is promising but fragile

49–60: AI is delivering value but not yet durable

61–72: AI is a governed, scalable business system

CXO Litmus Test

If AI systems were paused tomorrow, would the business barely notice, slow down, or materially lose advantage? Only the last indicates true AI maturity.