Responsible AI Governance for Wealth Management

Executive Summary

Artificial intelligence is entering wealth management firms faster than most governance structures are adapting. It is arriving through employee use, vendor platforms, embedded features, and increasingly autonomous systems. The question for leadership is no longer whether AI is being used, but whether anyone can describe where it is used, how it operates, what data it touches, what consequences could follow, and who is accountable.

The SEC's 2026 Examination Priorities explicitly highlight automated tools and AI, reinforcing the need for firms to understand where AI is being used and how it is governed. Responsible AI governance should enable adoption, not obstruct it. The objective is to provide enough visibility, accountability, and proportionate control for lower-risk uses to move quickly while applying greater scrutiny where AI touches sensitive information, fiduciary judgment, material client outcomes, or actions that are difficult to reverse.

Practitioner Principles

- **Start with visibility, not policy.** A firm cannot govern AI it cannot see.
- **AI extends capability; it does not replace judgment or accountability.**
- **Risk does not begin or end with the model.** Data, process, vendor design, and human behavior shape outcomes.
- **Govern according to consequence, not technology.** Oversight increases with sensitivity, impact, autonomy, explainability, reversibility, and fiduciary significance.
- **Technology can be outsourced. Accountability cannot.**
- **Build the minimum controls necessary to make informed decisions.** Guardrails, not roadblocks.

Governance Architecture

The governance model centers on six disciplines: accountable ownership, data and privacy boundaries, proportionate testing and oversight, transparency and traceability, vendor governance, and monitoring with explicit escalation and stop conditions.

Implementation Path

Implementation follows a deliberate sequence: establish visibility and immediate boundaries, classify material uses by consequence, build the minimum required controls, expand responsibly where evidence supports it, and integrate governance into the firm's existing operating rhythm.

Responsible AI governance should enable adoption, not obstruct it. This framework helps firms use AI confidently inside fiduciary obligations, creating value while protecting clients, employees, and the firm.

About the Author

Matt Chambers is a wealth-management operating executive and the founder of 718 Innovations LLC, which he established in 2020 as an advisory vehicle for select independent engagements. His career has remained centered on executive operating leadership, including roles as COO, CIO, and other senior operating positions across multi-family offices and founder-led advisory firms. His practical experience spans client and investment operations, technology, risk, and enterprise change. His applied AI work in regulated financial services dates to 2017 and covers predictive, generative, and agentic use cases, including workflow design, implementation, and the governance required for responsible adoption. His formal study includes Strategic AI at Cornell University and an MBA concentration in Artificial Intelligence at Rome Business School.

Next Steps

- If you are a hiring leader: Use this summary to assess practical governance thinking and operating judgment. If you want a short conversation about how this approach would apply to your firm, email matt.chambers@718innovations.com

- If you are a practitioner: Start with visibility. Identify the highest consequence uses, set immediate data boundaries, and assign accountability. Use the one-page visual for stakeholder briefings.

- The full practitioner framework is available on request. It includes the complete governance model, risk-classification approach, operating controls, accountability structure, and implementation guidance. To request access, email matt.chambers@718innovations.com with your firm's name and role.

Scope and Limitations

This document is practitioner guidance. It is not legal, regulatory, or compliance advice. Firms should consult counsel and compliance specialists for binding interpretations.

Document Details

Version 1.2 | August 2026 718 Innovations LLC