CSET CENTER for SECURITY and EMERGING TECHNOLOGY

## Key Takeaways for "Putting Teeth into AI Risk Management: Lessons from Cybersecurity Procurement Rules and Practices"

President Biden's executive order on artificial intelligence governance, and the Office of Management and Budget's following guidance to federal agencies, prompts urgent action on AI risk management standards and their integration into federal contracts. Recent examples of government cybersecurity procurement rules serve as a model for AI risk management and can help forecast upcoming challenges for AI procurement policies. Using cyber procurement rule lessons as a guide, this report provides the following recommendations for policymakers looking to instantiate effective AI risk management procurement practices:

1. Develop standards to assess the level of risk and potential impacts of AI systems. Establish categories to differentiate the levels of risks AI systems pose, and develop the appropriate risk management practices required for each category.

2. Base the level of requirements verification on the overall risk of the system. Compliance audits are costly, and therefore the federal government should utilize risk categories to determine which systems require compliance auditing.

3. Mandate and provide training on AI risk management standards for the federal acquisition workforce.

4. Leverage third-party auditors to support assessments of supplier compliance with AI risk management standards. This would solve labor limitations and skills gaps in the federal workforce, but it is important that final approval decisions rest with the government. Establish an AI standards center of excellence to provide government oversight and support compliance assessments.

5. Use contracting rules to incentivize, and when necessary, ensure government suppliers comply with AI incident reporting and cross-agency sharing.

### For more information:

- Download the report: https://cset.georgetown.edu/publication/putting-teeth-into-ai-risk-management/

- Contact us: cset@georgetown.edu