

## **AI, corporate documents and the problem of accountability**

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### **What governance leaders should learn from the growing use of AI in formal corporate decision-making**

Artificial intelligence is now being used across organisations to draft emails, policies, reports, board papers, correspondence and increasingly, formal HR documentation.

There is nothing inherently wrong with that.

The problem arises when an employee, manager or executive relies on AI to produce a formal document, adopts the document as their own, and then later attempts to distance themselves from its contents when questions are raised.

That creates a governance problem.

Recently, I encountered a situation involving a formal HR letter that appeared to have been generated or substantially drafted using AI. The issue was not the use of AI itself. The issue was that the author later denied having written the letter in the form in which it had been issued.

That distinction matters.

### **AI does not remove authorship**

When an employee uses AI to draft a corporate document, the AI is not the author in any meaningful governance sense.

The person who instructs the system, reviews the output, approves it and sends it remains accountable for the document.

That principle should be obvious, but organisations are increasingly confronting situations where individuals treat AI-generated text as though it somehow sits outside ordinary accountability.

It does not.

If a manager sends a formal warning letter, a termination letter, a regulatory response, a board paper or a complaint outcome, that person cannot later avoid responsibility by saying that AI drafted it.

The question is not who typed the words.

The relevant question is who approved the document and caused it to be issued.

## **Formal documents carry consequences**

Corporate documents are not casual communications.

A formal HR letter may affect employment rights, procedural fairness, workplace relationships and potentially future litigation.

A regulatory submission may contain representations on behalf of an organisation.

A board paper may influence directors in the exercise of their duties.

A student decision letter may affect enrolment, appeals or regulatory obligations.

In each of these situations, the organisation must be able to demonstrate that the document was properly considered, factually accurate and issued by an authorised decision-maker.

The use of AI does not reduce that obligation.

If anything, it increases the need for review.

## **The danger of plausible language**

One of the strengths of generative AI is also one of its risks.

AI can produce text that sounds authoritative, polished and legally sophisticated even where the underlying reasoning is incomplete or incorrect.

That makes AI particularly risky in formal corporate documents.

The danger is not necessarily obvious nonsense. The greater danger is plausible language that looks right.

An HR letter may sound procedurally fair while omitting a required step.

A policy may cite a legislative principle incorrectly.

A board paper may present assumptions as established facts.

A regulatory response may contain an unintended admission.

The professional appearance of the document can create false confidence.

## **Human review remains essential**

For this reason, organisations should treat AI-generated corporate documents as drafts.

Someone with appropriate authority and expertise must review the document before it is issued.

That review should include the factual basis of the document, the applicable policy or legal framework, the proposed decision, the tone and procedural fairness implications, and any statements that could create legal or regulatory consequences.

For sensitive matters, particularly employment, disciplinary, regulatory or legal documents, the review should be more rigorous.

The appropriate standard is not “the AI produced something that looked reasonable”.

The appropriate standard is whether the responsible officer was satisfied that the document was accurate, lawful, appropriate and consistent with organisational policy.

### **Accountability cannot be outsourced**

This issue is fundamentally about accountability.

Corporate governance depends on identifiable decision-makers.

Boards, regulators, employees and students must be able to understand who made a decision and who is responsible for it.

AI cannot become a convenient intermediary that allows responsibility to become blurred.

An executive cannot say, “I didn’t write that, AI did”.

If the executive approved and issued the document, it is their document.

The same principle applies throughout an organisation.

### **Organisations need clear AI rules**

Many organisations now have general AI policies, but relatively few deal adequately with AI-generated corporate documentation.

Policies should distinguish between low-risk drafting assistance and high-risk documents.

Routine emails or formatting assistance may require relatively little control.

Formal HR correspondence, legal documents, regulatory submissions, board papers, complaints decisions and disciplinary correspondence require a much higher level of scrutiny.

Organisations should also consider whether certain documents require disclosure that AI was used, whether sensitive information can be entered into external AI platforms, and whether records of prompts or drafts should be retained in higher-risk matters.

There should also be clear expectations that employees remain personally responsible for any document they approve or issue.

### **AI governance is ultimately governance**

The debate about AI is often presented as a technology issue.

It is increasingly a governance issue.

The real questions are about authority, accountability, evidence, confidentiality, accuracy and decision-making.

Organisations that use AI effectively will not necessarily be those that use it the most.

They will be those that understand where it assists human judgment and where human judgment must remain firmly in control.

The lesson from the HR example is simple.

AI can help draft the letter.

It cannot take responsibility for it.

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