



Chartered
Governance
Institute
UK & Ireland

Boardroom Bellwether

Insights from governance professionals
on the challenges facing boards

AUTUMN 2026

About The Chartered Governance Institute UK & Ireland

The Chartered Governance Institute UK & Ireland is the qualifying and membership body for governance with over 135 years' experience of educating and supporting governance professionals. With a Royal Charter purpose of leading 'effective and efficient governance and administration of commerce, industry and public affairs', we provide professional development, guidance and thought leadership, and work with regulators and policymakers to champion high standards.

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Introducing the Boardroom Bellwether

Governance under pressure

A cross-sector view from governance professionals



This year's Boardroom Bellwether captures the views of governance professionals working at the centre of organisational decision-making. The findings illustrate how economic uncertainty, rapid technological change, geopolitical instability and

rising stakeholder expectations continue to place pressure on organisations in every sector.

At the same time, policymakers, regulators and boards are grappling with fundamental questions on how to deliver growth and productivity, manage technological change appropriately and balance reporting regimes which support rather than hinder policy objectives.

In my discussions with governance professionals across different sectors and jurisdictions, I am continually reminded how often organisations face similar governance questions, even when their operating environments are very different. This year's survey provides further evidence of that.

One of the most welcome developments in this year's Boardroom Bellwether is its breadth. Alongside respondents from listed and private companies, we saw significant participation from charities and not-for-profit organisations, as well as contributions from education, health and the public sector. We also benefited from growing participation from outside the UK. Together, these responses provide our richest picture yet of governance practice across the many sectors and jurisdictions served by CGI.

Despite the pressures on the governance function documented throughout this report, respondents are clearly confident in their contribution to board decision-making and stakeholder confidence and how that contribution supports organisational resilience and responses to external challenges. To me, this reflects a profession that is continually evolving alongside the organisations it serves.

The issues explored in this report sit at the heart of many of today's most important policy and organisational debates. Governance professionals have practical experience of how these issues affect



Economic uncertainty, rapid technological change, geopolitical instability and rising stakeholder expectations continue to place pressure on organisations in every sector

decision-making in the real world. As organisations, policymakers and regulators each consider how best to respond to current challenges, the findings in this report provide insight into how governance, regulation and organisational performance interact in practice. That perspective can help

ensure that policy ambitions and organisational realities remain closely aligned.

I am grateful to everyone who contributed to this year's survey. Their willingness to share their experiences has helped create our most representative Boardroom Bellwether to date. I hope the findings provide useful insights not only for governance professionals, but also for all those interested in strengthening decision-making, accountability and organisational performance across our economy and society.

Linda Ford
Chief Executive Officer of CGI

Key findings

01 'It's the economy, stupid'

We asked governance professionals about the top three sources of risk; 60% of them selected 'economic conditions and market volatility'. It was marginally higher for UK-only respondents, and among private businesses, where 71% selected it. Overall, 44% of respondents said their board was getting less confident in the economy; only 13% said things were looking up over the past 12 months. Only two of 234 respondents said economic conditions were decreasing governance demands; 53% said they were increasing them.

04 The governance hit-list

Given those findings, it's not surprising two-thirds of respondents included AI in their list of the top three areas for strengthening organisational governance capabilities (it was 82% of listed company secretaries). Every other factor trailed in below one-third. Financial resilience was more than twice as likely to be mentioned by charity governance professionals as those in companies, reflecting the strains on the sector. More than one in five PLC-based respondents also selected ESG. That workstream is far from finished...

02 Governance is stretched

Only one in ten governance professionals think they are 'very well' resourced to meet the expectations laid at the door of their function – at a time when, for 80% of them, those expectations are increasing; nearly one in three says that rise is 'significant'. Should we be worried? Only 13% of respondents to our survey said they are 'very confident' that their organisation is well-prepared for its governance challenges. And zero private sector respondents said the pressures on the governance function are decreasing.

05 'It's not you, it's me'

"Pick two factors that most influence the level of scrutiny, challenge and diligence in board decision-making," we asked. External scrutiny (from investors or regulators) came in third, with 34% picking it. But the quality of information the board gets (58%) and board culture (50%) were the clear winners. CGIUKI work, including our projects on board reporting and behavioural dynamics, is clearly well-targeted here. (Oh, and only 14% included 'potential personal consequences for directors' in their top three drivers of diligence...)

03 Where are the techies?

AI demands high-level board and governance scrutiny. Yet only 6.5% of respondents said their boards had 'strong' capabilities in AI (it's 2.6% in the public sector); and just 6.7% have high confidence in governance's ability to support boards on AI. A third said their board had 'limited capability' to oversee the use of AI. Meanwhile cyber security remains a top-three governance risk for almost half the company respondents; it's less likely to worry non-commercial entities... whose cyber response is likely to be far less detailed, they told us.

06 Culture eats strategy...

We had a similar finding when we asked about the most material challenges to organisational governance. Culture topped the list (42% selected it as one of their top three) with economic pressures close behind (37%). Only one other factor scored over 30%: lack of challenge in the boardroom, which outpaced board lack of expertise (26%). It seems clear that it's the so-called 'soft' areas that are creating a hazard for good governance in organisations. They might also be the toughest to fix...

The business landscape

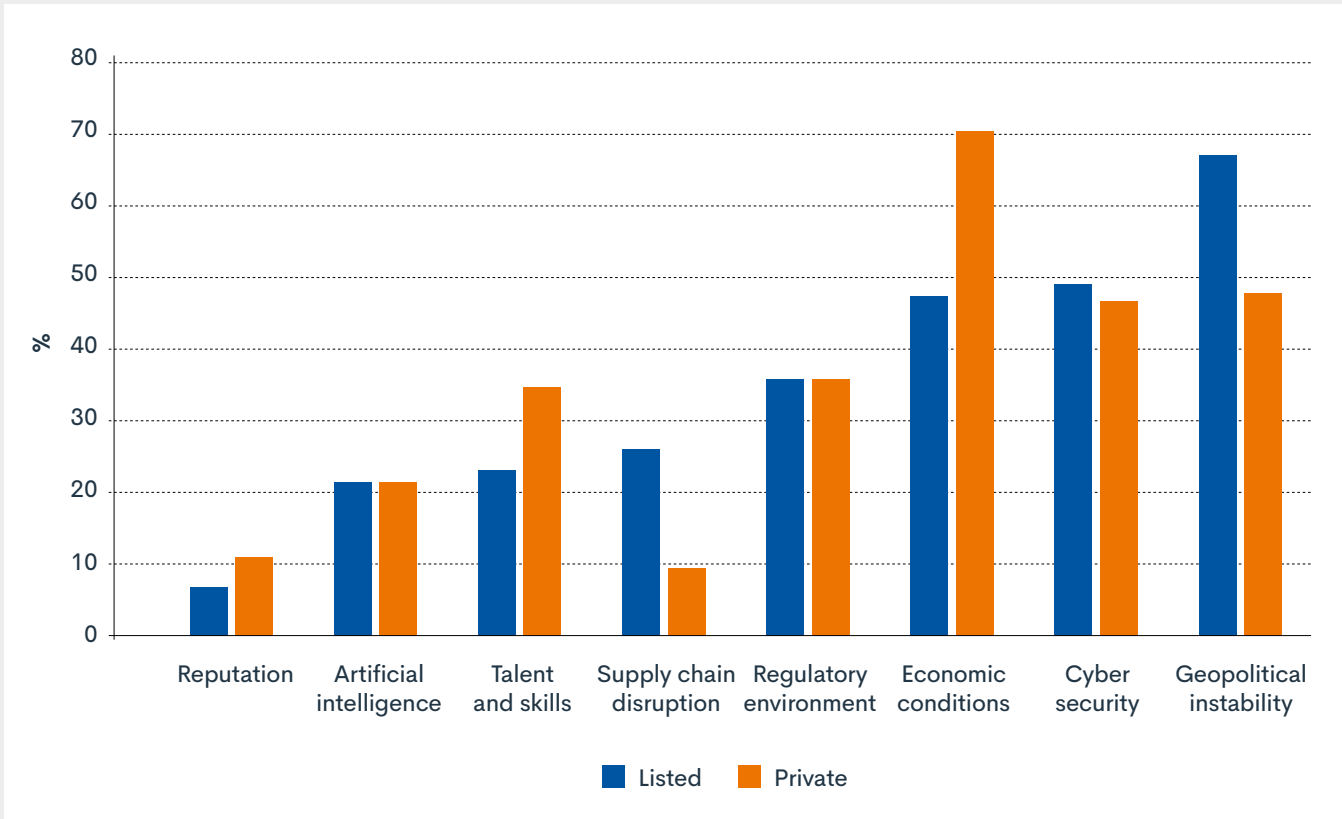
Recent CGIUKI Bellwether reports have reflected the governance challenges created by uncertainties in the economy and the wider geopolitical landscape; 2026 is no exception. Six-in-ten respondents identified economic and market conditions in their top three sources of risk; among private companies, that climbed about 70% (see chart). For listed businesses – often with a greater international footprint and extended supply chains, geopolitics was the most-picked factor.

"[My big challenge is] how to support directors and decision making in a significantly uncertain economic and geopolitical landscape," said one company secretary at a major retailer. "For example, the change of PM, necessary transformation because of AI, and pressures like climate change." Perhaps this is the famed 'polycrisis' political commentators are fond of talking about...

60%
list economic and market conditions in the top three sources of risk

43%
Proportion of boards getting less confident in the economy

Which of the following are the most significant sources of risk for your organisation?



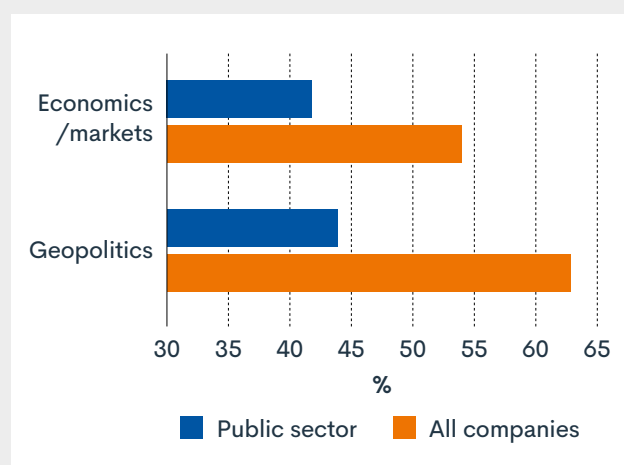
Previously Bellwether has asked governance professionals for their take on the economic outlook (it's been pretty negative over the past few years...). This year, we shifted the request: how does your board feel things are going? The answer was no less gloomy.

It doesn't make encouraging reading. And the fact that over 50% of private sector respondents think economic and market volatility is increasing the demands on the governance function reminds us that organisations under strain are at risk from more than just financial consequences.

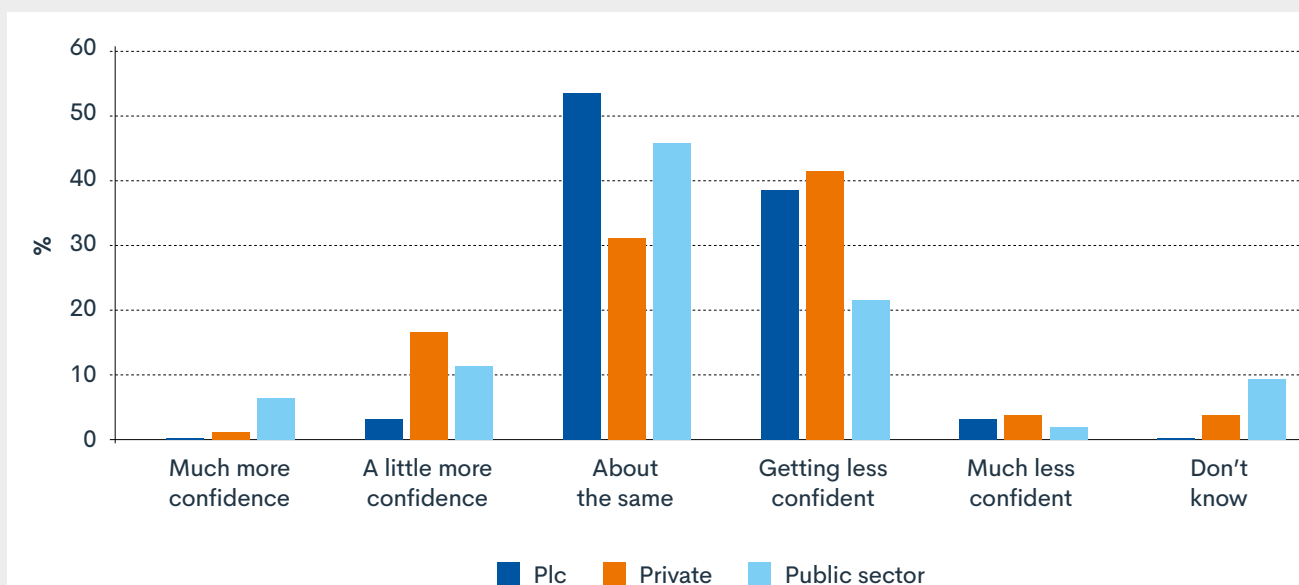
That finding is confirmed when we look at geopolitical instability, a dominant narrative in 2026 (and, to be fair, every year since Covid subsided). A massive **80%** of private sector governance professionals said board focus on those issues had increased over the past year, with a concomitant effect on the governance function.

Of course there are other, internal, drivers of governance workload which we come to later in the Bellwether report. But the over-arching message is that external pressures are mounting on boards of every kind – and governance teams are facing incredible pressure to respond.

Facing increased governance demands thanks to...



How has board-level confidence in the economy changed over the past 12 months?





Pressure on and from the board

So how are boards responding to external pressures? First we asked a general question: "How confident are you that your organisation is well-prepared to manage its governance challenges?" And the answer was cautiously optimistic, clustering around 'fairly' – and we go into more detail on what those challenges are (beyond board support) in section five.

But if boards and their governance teams are under more pressure, it seemed worthwhile to explore what factors were keeping boards disciplined. Could this help resource-constrained governance professionals focus their efforts? What motivates effective boards?

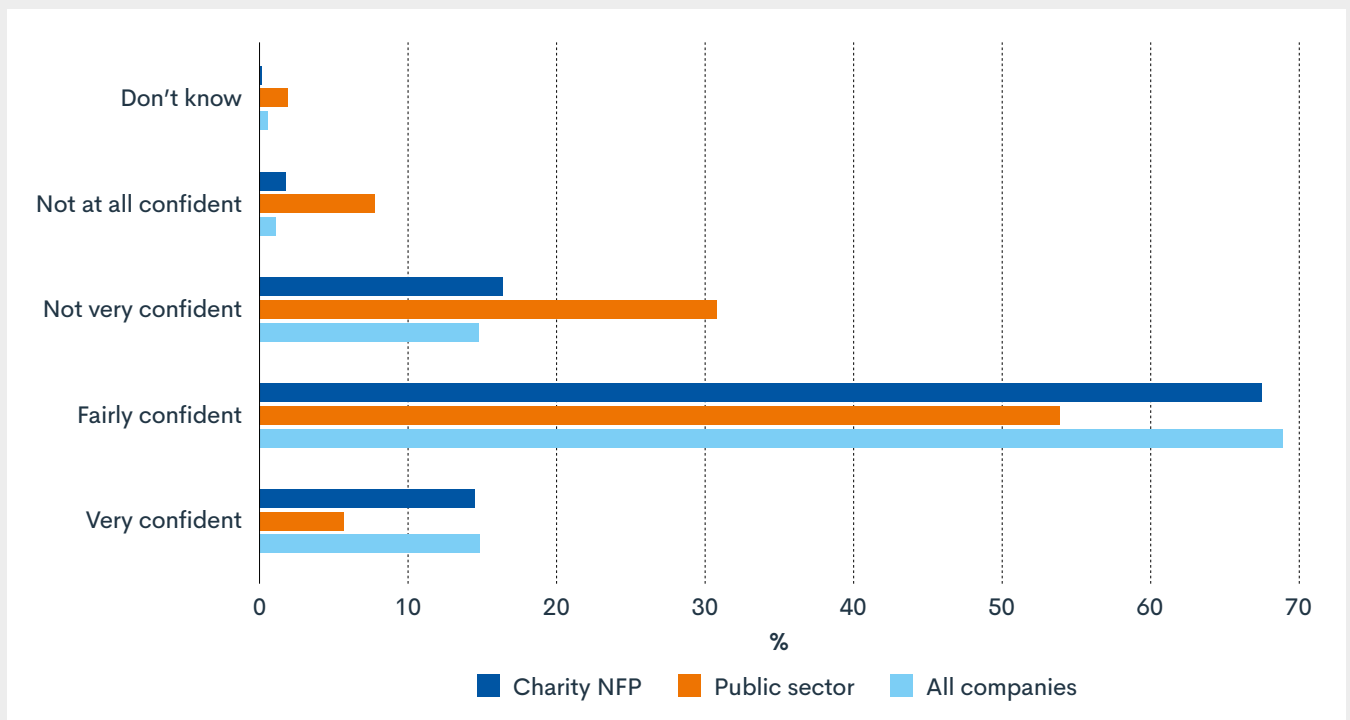
Three clear winners emerged – the quality of information provided to the board; board culture; and external scrutiny. (Enforcement and punishment of derelict directors or boards barely featured.) The clear message here is that pursuing governance processes themselves remains valuable; but for governance

professionals, what's more likely to be important is working behind the scenes on information management; and deploying soft skills to improve board dynamics. Note that the culture factor was particularly prevalent for charity boards – one of many consequences of them having more volunteers or 'semi-detached' board members.

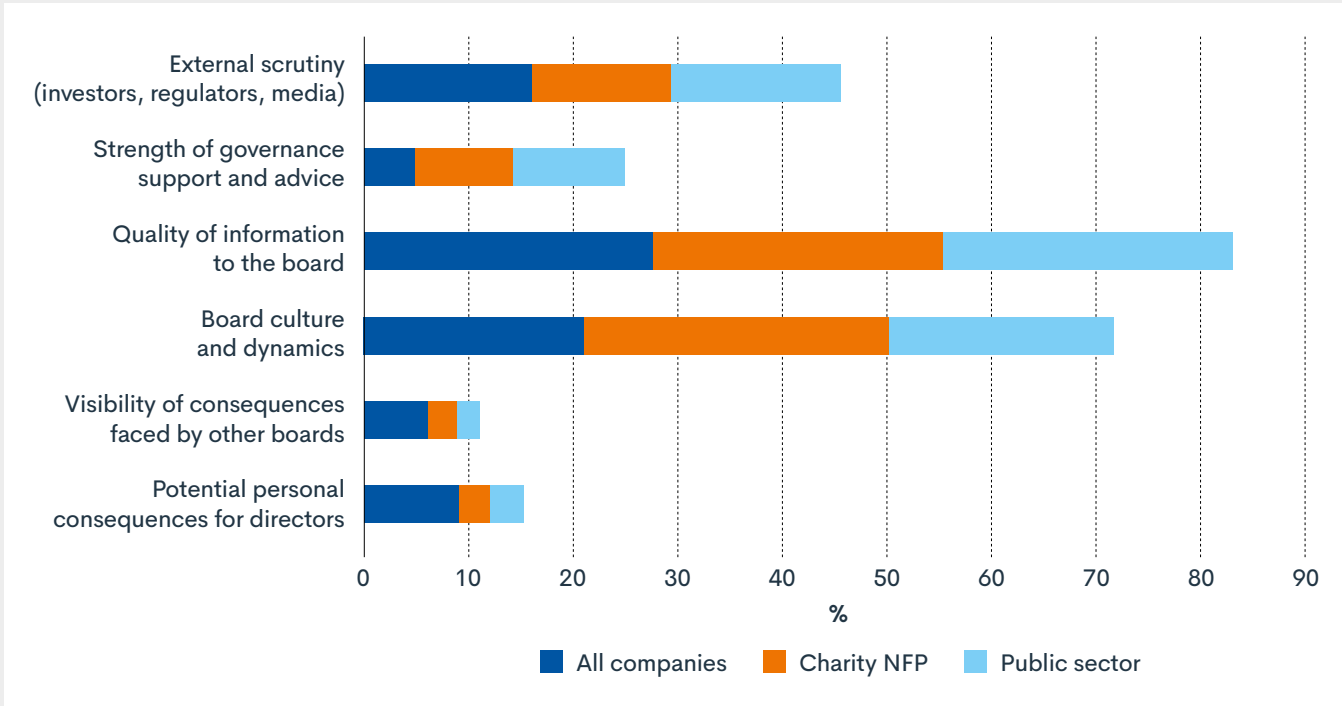
58%

cited 'quality of information' as a top-two driver of board decision-making

How confident are you that your organisation is well-prepared to manage governance challenges over the next 12 months?



Which of the following factors most influence the level of scrutiny, challenge and diligence in board decision-making?

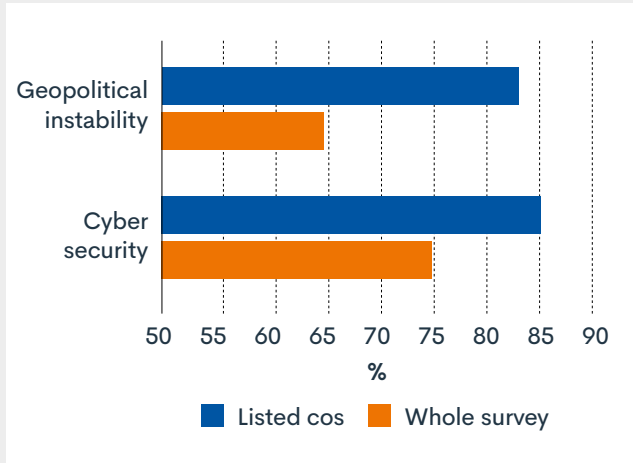


Cybersecurity

Half of the private sector respondents picked cyber as one of their top-three risks. It's been accelerated by AI; has become a factor in that geopolitical instability picture; and, like all crime, is more prevalent when economic conditions are less positive. And our survey revealed: board focus on cyber has, indeed, risen markedly over the past year.

It's hard to frame an accurate question on whether that focus has been effective. So we asked about the detail organisations have gone into for their plans around cyber-attacks, grading it from very thorough (scenario-based response with explicit crisis roles, escalation and pre-set decision-making) through moderate (high-level policies are in place, but response arrangements are not clearly defined) to more limited scope.

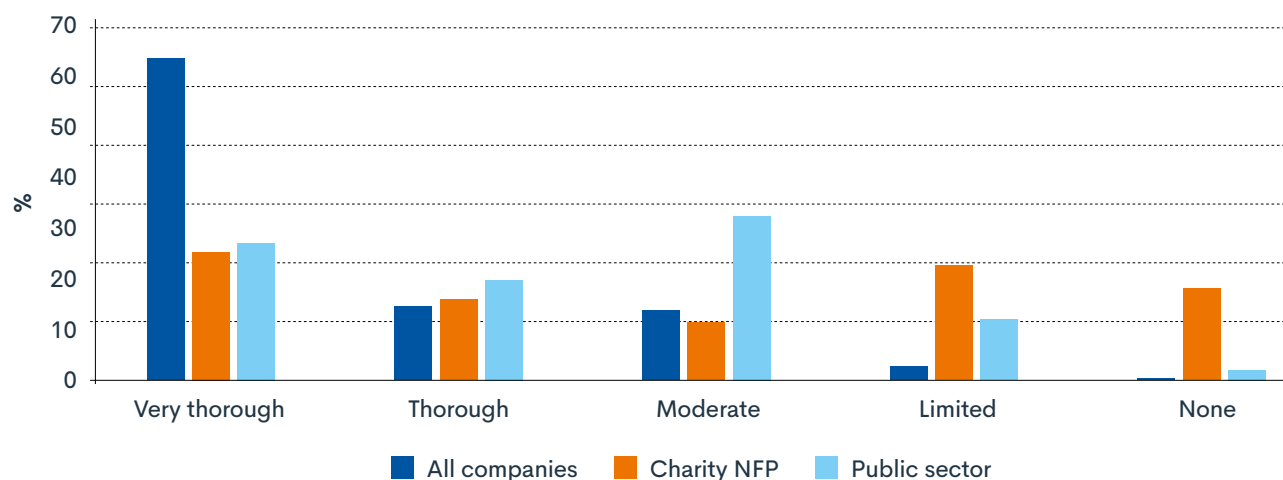
Over the past 12 months, board focus has increased on



30%

Proportion of respondents citing 'lack of challenge on boards' as a top-three material risk to good governance

Your organisation's preparedness at board or governance level for responding to a cyber security incident?



The red flag here is clearly the non-commercial entities, particularly charities. And the question is how stretched governance individuals (and for charities, it's rarely a big team) with often limited in-house IT support can

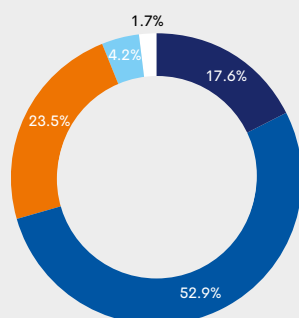
help boards address this issue. (Interestingly, the acceleration of cyber threats was one of the main risks that all types of governance professional associated with the arrival of AI, see section four.)

Diversity

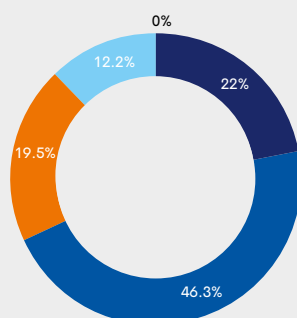
Finally on boards, we were interested in how the diversity agenda is playing out. We know from members that reports of the demise of EDI have been greatly exaggerated; and with new measures coming in for pay gap reporting, it's certainly not going away as a compliance issue. But how are we getting on? The Bellwether findings on board diversity do seem to

confirm warnings from other sources: it's a mixed bag. First the good news: relatively few governance professionals across sectors do not feel diverse perspectives are influencing board decisions. "To some extent" might be doing some heavy lifting here, but the more concerning findings from Bellwether relate to how 'diversity' is experienced on boards.

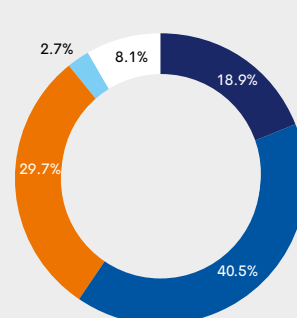
All companies



Charity NFP

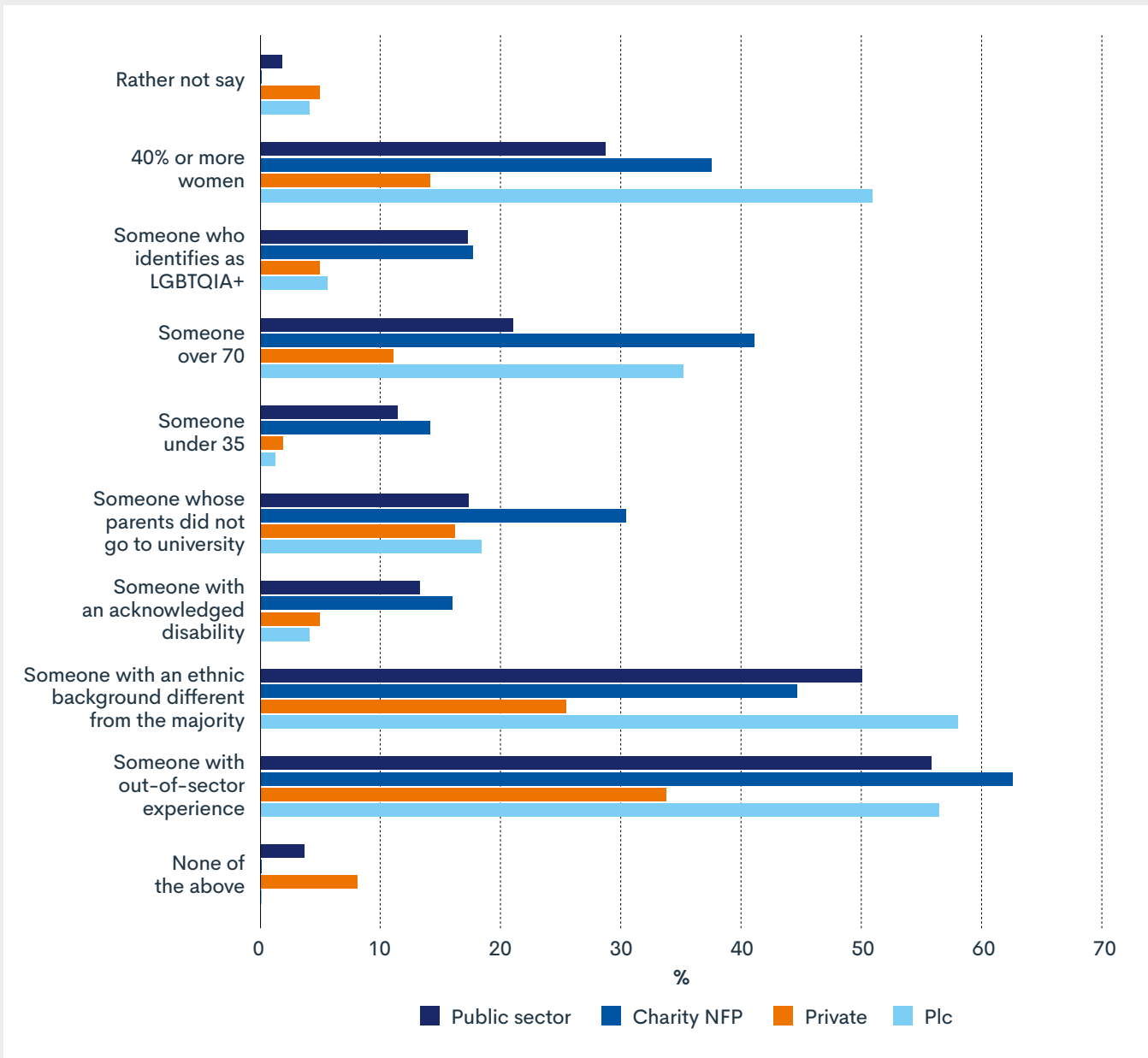


Public sector



■ To a great extent
 ■ To some extent
 ■ To a limited extent
 ■ Not all
 ■ Don't know

To the best of your knowledge, does your board include...



Clearly not every board member's personal circumstances will be known to every respondent. But we know from recent analysis of, for example, AIM-listed boards that female representation remains an issue. In private businesses, Bellwether reveals, there are still very few boards with 40%-plus women. In 2026, it's also surprising to see so few reports of 'out' LGBTQIA+ board members. And confirming other reports, the extremely low numbers for disabled board members is, sadly, not a surprise.

Perhaps as concerning is the fact that only a third of private company boards have a director with out-of-sector experience – something experts argue is

increasingly valuable in a hyper-connected world, and where sector-specific responses to issues such as cyber, supply chain and AI might be masking both risks and opportunities.

Add in the fact that respondents told us the biggest single impact diversity has on their organisation is in its culture (50% cited it; as we've seen, it's a critical component of organisational and board effectiveness), followed by board composition (31%) and board discussion quality (30% – both also key to board effectiveness), and it feels like there's more work to do on EDI – with more benefits to come.



Governance: engine-room or sat-nav?

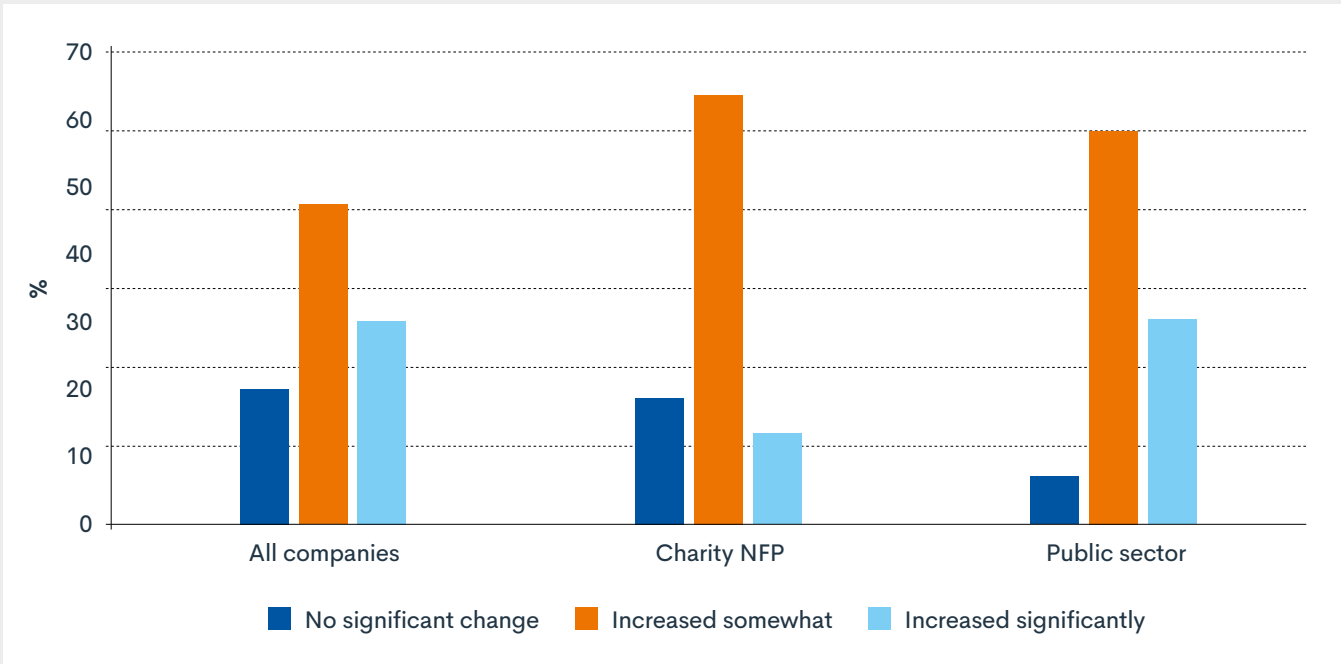
Don't be fooled by the *Bellwether* finding at the top of the page. Yes, two-thirds of governance professionals feel at least 'fairly well' resourced to meet the challenges their organisations face. But only 10% felt confident enough to tick 'very well resourced', leaving fully one-third complaining of being under-resourced. The problem is compounded by the fact that 80% of respondents reckon governance issues have increased over the past 12 months. Among both the private and public sector governance professionals, around 30% said that is a 'significant increase'.

The result is that lukewarm reaction to the question, "How confident are you that your organisation is well-prepared to manage governance challenges over the next 12 months?" we saw in section two. But there is positivity in the community. "To what extent does the governance function in your organisation support the board in making effective decisions," we asked, and 40% said 'to a great extent' (and 44% were 'to some

80% say that governance issues for their organisation have increased over the past year

68% Proportion who feel their governance function is well-enough resourced to meet its challenges

Over the past 12 months, governance issues for my organisation have

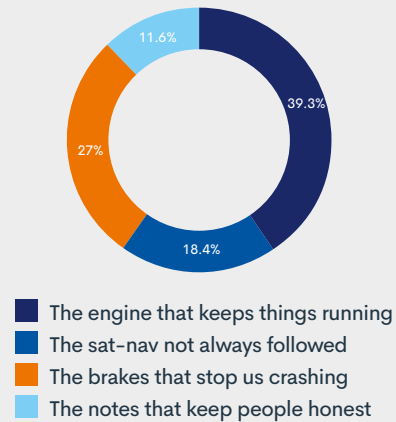


extent'; the positivity was most pronounced among listed company CoSecs).

And to lighten the mood further, we asked respondents to select the best metaphor for their governance function. One can spin this kind of question, of course. But the self-image as an engine keeping the organisation moving is extremely positive (and who wants to drive without a sat nav, especially when you go off-route...)

In other words, there is an appetite to reinforce (or perhaps create) a perception of governance as an operational driver, not just an add-on or an administrative function. That demands interplay between governance, the board and operational leaders. We need to make the phrase "I'm from governance, I'm here to help" a reality.

Governance in my organisation is...



In their own words: the challenge

But the real meat came when we asked the open question, "What is the biggest governance challenge you are currently facing?" 178 governance professionals took the time to answer it – typically with much more detailed responses than the other open questions. Analysing their comments gives us a strong temperature-test of the profession in 2026.

The dominant sentiments are pressure, frustration and concern rather than optimism. Governance professionals do not generally describe a single technical problem. They tell of a function squeezed between rapidly expanding expectations and limited organisational support. Throw in poor board behaviours,

commercial pressures and the sheer pace of external change, and the picture is one of a profession delivering... but under strain.

That chimes with the closed question we asked on material challenges. In the commercial sphere, nearly half of both listed and private company governance professionals mentioned both economic/financial pressures and internal culture in their top-three challenges (see chart). In their comments, the strongest language is reserved for things their own organisations could theoretically control: board behaviour, leadership, resourcing, culture and recognition of the governance function. So how do the dominant themes break down?

Board effectiveness

Respondents are concerned about whether boards and senior executives are willing and able to practice effective governance. Problems include insufficient challenge, weak non-executive directors (NEDs), dysfunctional board dynamics, disengaged directors, succession issues and executives circumventing governance processes.

"[There's a] lack of challenge (particularly around risk management) as the NEDs seem to take a tick-box approach to signing off papers. There's a lack of questioning and scrutiny," said one listed company respondent. Another complained that proper board disciplines are not being applied: "Decisions affecting the business [are] being decided outside of board meetings

and not noted or ratified despite constant reminders from the company secretary."

This suggests that behavioural issues are at least as significant a concern as formal governance architecture. Codes and processes cannot compensate for boards unwilling to challenge, listen or respect them.

Comments also highlighted strains on board support. One multi-entity listed company CoSec summarised it neatly: "The challenge today is time. Getting the right people the right information on which to base decisions is one thing. Getting them the time to discuss and understand the perspectives of others so they can make good decisions is quite another."



The third sector challenges

Throughout this report we've highlighted some of the key differences between listed entities, private companies, the public sector and third sector (mostly charities). Charities are a special case: typically they have fewer resources, are far more likely to have volunteer and unpaid decision-makers, and yet can face significant consequences when governance arrangements fail.

Interestingly, charities appear less concerned about over-regulation than many listed businesses. Nearly three-quarters (73%) of charity respondents believe regulation in their sector is "about right", compared with 56% of listed company respondents, while only a small minority (8%) regard it as excessively burdensome.

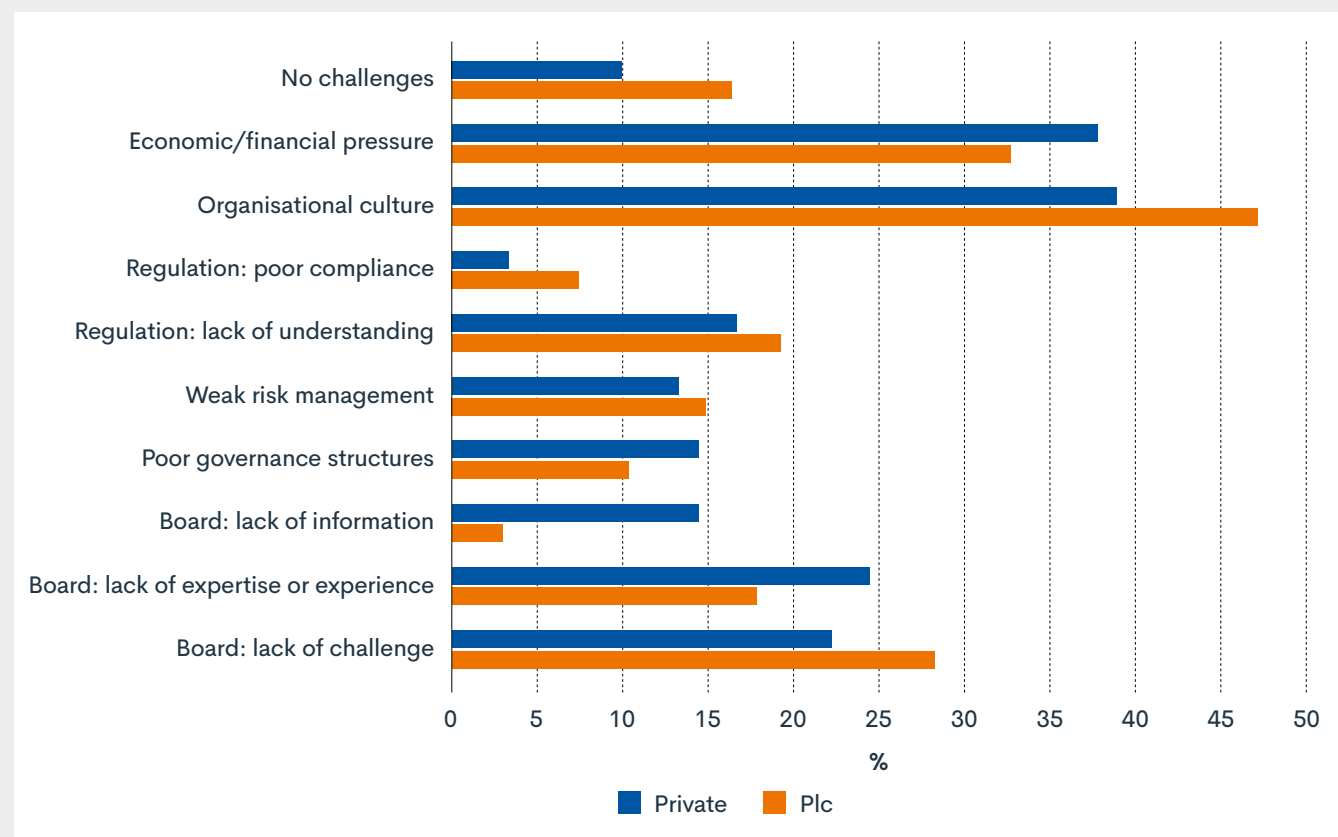
The bigger concern lies elsewhere. Among charity and not-for-profit respondents, the most frequently cited governance challenge was a lack of board expertise or experience. More than two-fifths (42%) of charity respondents included it in their top three challenges, compared with just 16% of listed company respondents. Concerns around board challenge were also prominent (30%), making it the second most frequently selected governance challenge.

The wider pattern is revealing. Charity respondents were more than twice as likely as their listed-company counterparts to identify board talent as a priority area for strengthening governance capability, and were significantly more likely to cite talent as a source of organisational risk. They were also far more likely to report that their boards had no meaningful AI capability.

For charities, then, the defining governance challenge is often having enough of the right people around the board table, with the time, expertise and confidence to govern increasingly complex organisations effectively.



Most material challenges to good governance



Resourcing of governance

Around one in six comments explicitly mention the function's capacity to meet its brief. "Workload – trying to ensure everything receives the attention it needs while retaining the quality of service and not losing sight of the basics," explained an education sector governance professional. For one private company CoSec, the issue is "Resourcing: being too focused on 'doing', not having capacity and headspace to think more strategically."

Another stressed that their governance function is poorly understood: "[There's] a lack of awareness for the growing workload in governance, leading to lack of investment in governance teams." And among

the smaller organisations – especially poorly resourced entities such as charities – lack of personnel was often cited.

Even in the public sector – where governance ought to be expected to set to a high standard – "under-resourced teams [are] not being included at the table when significant governance changes are being proposed," said one respondent. Another added: "Some persons on the board overlook or disregard the expertise of the appointed corporate governance professional while at the same time overestimating their own expertise/knowledge."

Culture

Many of the comments were variations on “our culture isn’t supportive of good governance,” but in some cases, the problem was framed more explicitly. “A stated desire to adopt best practice [is] not aligning with what is accepted by the organisation in practice,” explained one charity governance professional. Another charity-based respondent told us: “[My challenge is] culture that values creativity and agility and permits staff to find ways around governance procedures and processes, in a sense almost rewarding it.”

That is an important warning sign because it moves the issue from procedural governance towards psychological safety, organisational behaviour and tone from the top.

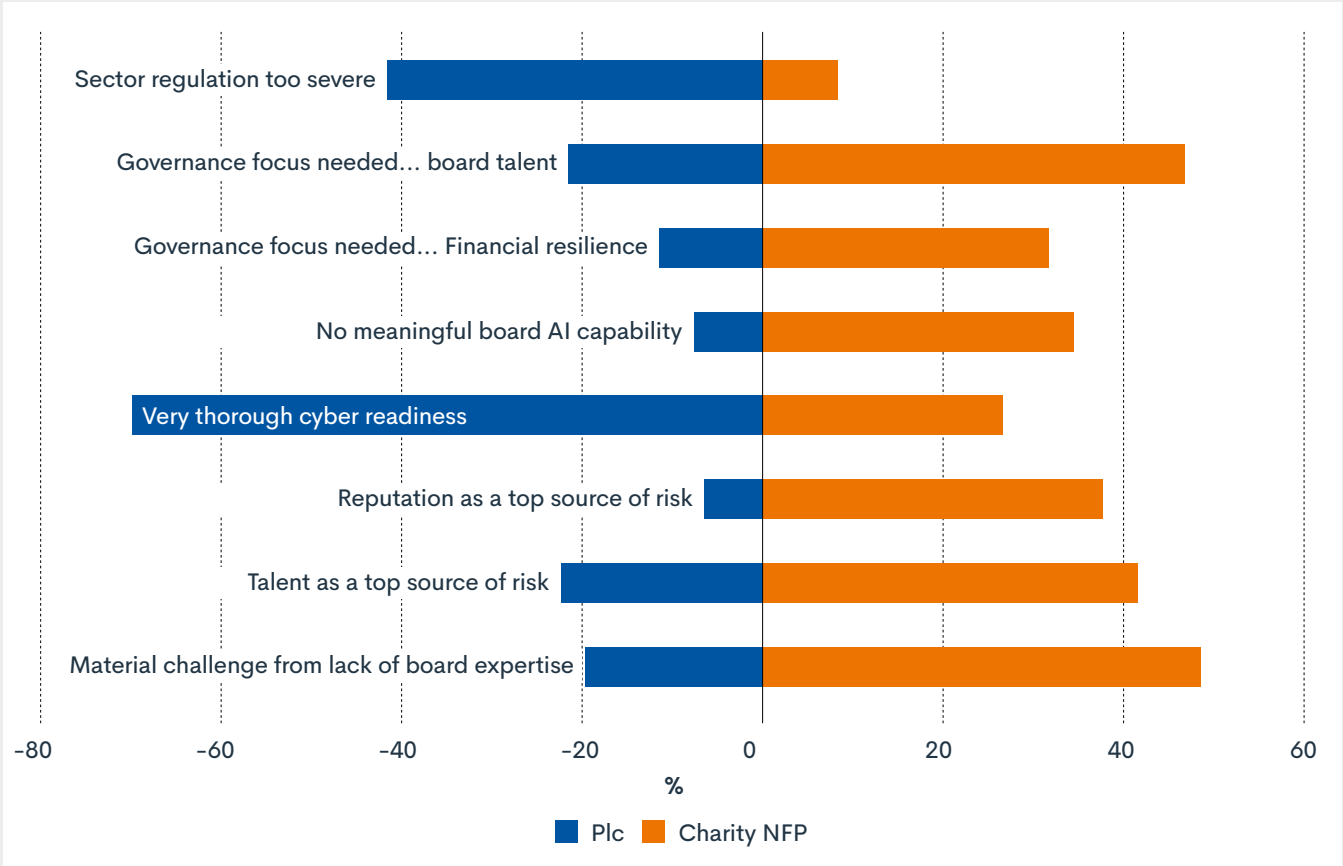
The strongest overall message is that governance professionals are experiencing a capacity-and-influence gap. Expectations of governance are expanding because of regulation, AI, risk, stakeholder scrutiny and organisational complexity. Yet many respondents do not see a corresponding increase

in resources, authority, board attention or organisational understanding.

- **Governance is getting broader.** It now encompasses AI, cyber, culture, resilience, increasingly complex regulation and a wider range of stakeholder expectations.
- **Governance is getting faster.** Decisions have to be made in volatile markets and rapidly changing technological and regulatory environments.
- **Capacity is not necessarily keeping pace.** Teams report insufficient resources and influence, while boards struggle with skills, challenge, succession and attention.

The survey suggests that the emerging governance challenge is not simply how to govern more things, but how to maintain the quality of governance when the volume and speed of those things exceed the capacity of traditional governance structures.

Plcs vs Charities: the big differences





Regulation and compliance

Governance professionals have a love/hate relationship with regulation. On the one hand, it's typically a set of compliance hoops to jump through that often feel poorly aligned with their own experience of their sector and their entity's operations. On the other, they're a useful set of guides that support governance professionals in enforcing good practice.

In all, 58% of Bellwether respondents said that "current regulatory and reporting requirements support effective governance in practice" to at least some extent. (20% did say they created challenges.) Nearly two-thirds of respondents think regulation in their sector is "about right".

Yes, 38% cited it as a top-three source of risk. But only one in five company governance professionals included "lack of understanding of regulations" as a material challenge to good governance; and a tiny 6% added "poor regulatory compliance" to their top-three in that category.

But there is clearly a massive appetite for regulatory reform, too (see below). With successive governments promising to address 'red tape' – and the current government now committed to reducing regulatory

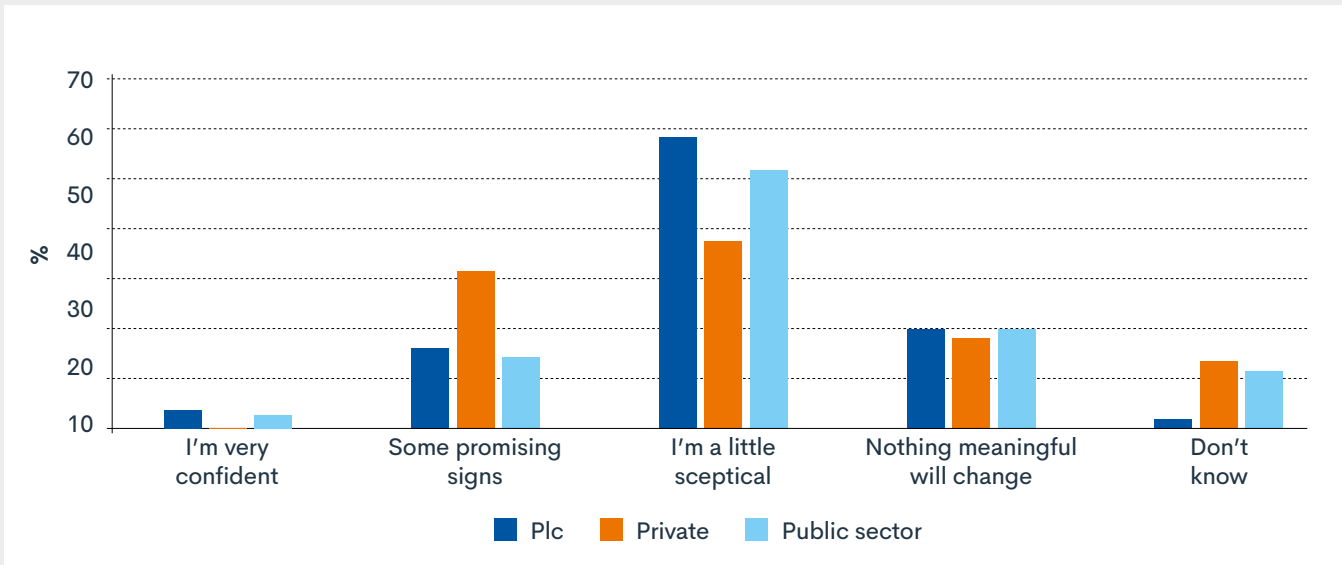
burdens – do governance professionals think things will improve?

Not so much. This has potentially profound implications for the government's regulatory reform agenda, not least the current Modernising Corporate Reporting agenda. So, we turned to the free text responses to see where the government and regulators might focus their efforts.

38%
put the regulatory environment
in their top-three sources of risk

22%
Percentage who express any
confidence in the regulatory
reform agenda

Confidence in regulatory reform agenda



The regulation hit-list

Every year we ask governance professionals how they'd like to see regulations reformed in their sector. The 78 responses this year cluster into five major areas, but the broad pattern is a desire for regulation to become simpler, more proportionate, better coordinated and more focused on outcomes rather than process.

Very few respondents appear to be arguing against regulation as such. Even where language is strongly critical, most proposals are about making regulation work better. The frustration is the gap between the purpose of regulation – stronger governance and better outcomes – and the experience of compliance, which respondents often describe as box-ticking.

• Simplification and proportionality

This is the dominant theme. Respondents repeatedly argue that governance requirements have accumulated without enough attention to whether they remain useful, proportionate or appropriate for organisations of different sizes and types. There is particular frustration that smaller organisations are expected to absorb requirements designed around much larger institutions. One respondent called for: "clear, proportionate governance guidance specifically tailored for small charities."

• Reduce box-ticking

A second cluster concerns annual reports, disclosures and compliance statements. Respondents believe reporting has become too long, repetitive and detached from what users actually need. One respondent requested a "radical rethink of the annual report and AGM process – these are burdensome and not focused on key areas that matter to shareholders." Remuneration reporting, CSRD and overlapping sustainability requirements are singled out for potential reform.

Another response describes the 'boiling frog' nature of annual reporting requirements: "They have grown by increments but no one has ever taken a holistic or proportionate view of what actually matters." There is strong support for replacing prescriptive disclosures with reporting that demonstrates meaningful outcomes: "Instead of prescribing detailed governance processes, regulators should require firms to evidence that governance is effective in practice." It is to be hoped that the current consultation on Modernising Corporate Reporting will support this approach.

• Better coordination between regulators

A major source of irritation is having to satisfy multiple regulators or reporting regimes covering very similar ground: "Fewer regulators with better oversight of wider issues, so we have a one stop

shop instead of five different sets of regulation," as one respondent put it. Specific examples include overlap between the FCA and PRA, remuneration regulations, RBO and CRO filings, TCFD, SECR, ESOS, SRS and CSRD. One health-sector respondent provided a practical example: "Currently we have multiple regulators (in our case local authorities and CQC) all requiring reports and making visits to check the same service."

• Clearer, more practical guidance

Respondents frequently distinguish between regulation itself and the difficulty of understanding what regulators actually expect. Many comments boiled down to a call for "clear-cut guidelines and processes with little room for ambiguity," as one respondent put it. The preference is for guidance that translates principles into practical implementation, particularly for newer requirements such as operational resilience and internal controls. Interestingly, several responses also asked regulators to align with operational reality better: "Just understanding the industry would be helpful," said one typical comment.

• Modernise – and use technology better

Regulation needs to catch up with how organisations now operate. Respondents propose greater digitalisation, including online reporting; several aired a frustration with the situation around virtual AGMs. Others advocate linked filing systems so information supplied once does not have to be repeatedly submitted elsewhere. A telling example is the respondent who reports filing "about 80 (paper) copies of the PLC accounts... surely a link would be preferable."



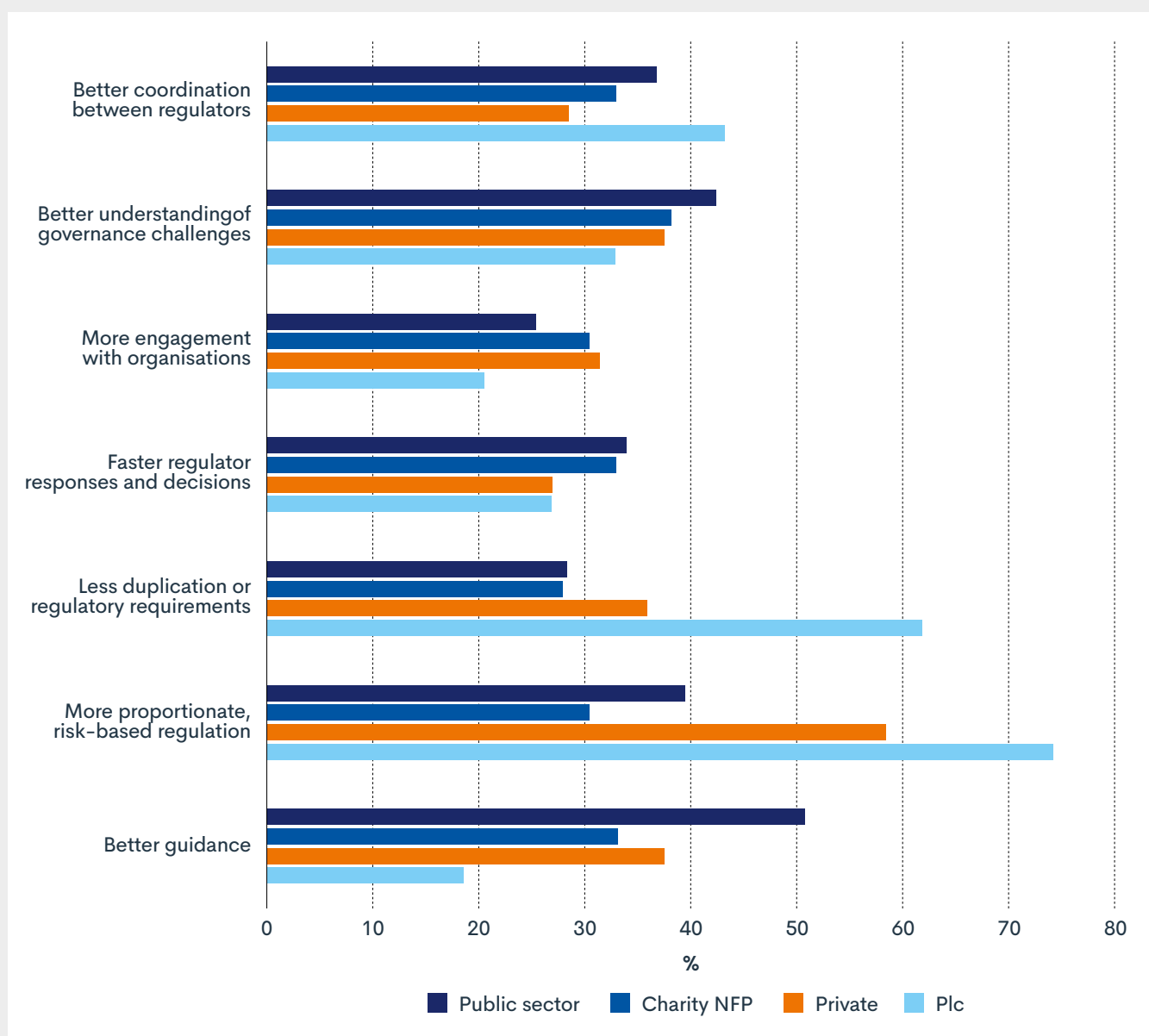
It's worth noting that the remedies for regulatory improvements that support good governance vary wildly between entity types. That's partly about the level of in-house governance resourcing – for example, among listed company respondents, only 19% requested 'better guidance'; in the public sector sample, that soared to 51%. But while two-in-five of the latter want 'more proportionate, risk-based regs', among the PLC governance professionals it was three-quarters. If nothing else, this reinforces the argument for proportional, responsive compliance regimes.

Geography may also shape how regulation is experienced. While UK and non-UK respondents

express broadly similar views on the overall level of regulation facing their organisations, only 36% of UK respondents report increased confidence in navigating regulatory and reporting requirements over the past 12 months, compared with 59% of respondents based outside the UK. This suggests that, for many UK governance professionals, the challenge lies less in the principle of regulation than in the complexity of navigating an increasingly demanding reporting and compliance environment.

Clearly there is a gap between support for the objectives of reform and confidence that those objectives will be realised in practice.

Which changes would most improve how regulation supports effective governance?



AI: absolutely inevitable

In the Bellwether question on the top-three sources of risk for the organisation, only about one in five respondents flagged AI. Yet when we asked, “Which three areas would most benefit from further strengthening of governance capability within your organisation?” AI was the runaway winner, included by nearly seven in ten respondents – rising to 82% of the listed company governance professionals. (The charity respondents – at just 46% – dragged down the average.)

The reason for this discrepancy is two-fold. First AI feels like a long-term, operational factor – yes, it’s having an effect already, but there’s a sense we’re still groping towards answers, whereas the economy, geopolitical upheaval and cybersecurity (the three most mentioned) are driving day-to-day board decisions right now.

But second, that means forward-thinking governance professionals are now concerned about whether this novel factor is something their organisation is equipped to deal with when it does become embedded. And looking at their boards, many Bellwether respondents (especially in the under-resourced charity sector) are sceptical.

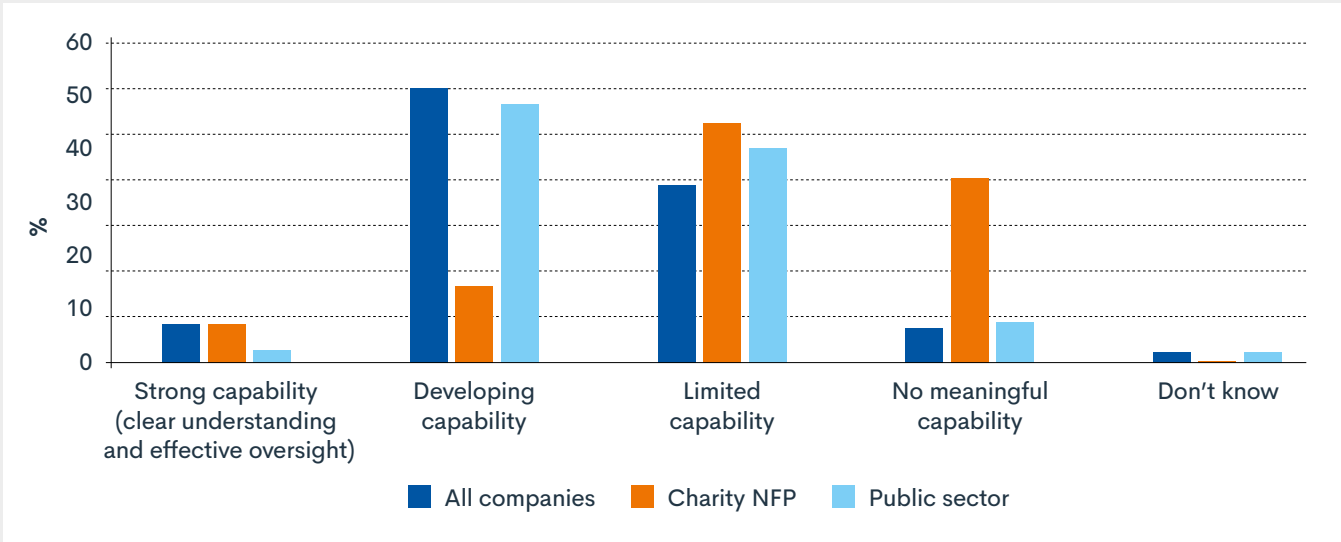
Never let it be said governance professionals are not a self-reflective group, however. They know only too well

that they need the ability to articulate the board’s responsibilities and highlight gaps – from board agendas, to oversight, to compliance – in this brand-new area. Respondents’ confidence to support the board on AI almost precisely mirrors board capabilities. The CGIUKI’s evolving guidance in this area should be particularly valuable.

69% place AI in their top three areas for greater governance attention

6.5% Proportion who say their board has strong capabilities in AI:

Describe your board’s current capability to oversee the use of artificial intelligence



The humans have spoken...

"What do you see as the biggest governance-related risk or challenge arising from the use of artificial intelligence in your organisation?" It's a question we threw out on the off-chance that respondents might offer some interesting avenues for our Policy team to pursue.

Obviously it's a major issue, both within the governance function, for effective board functioning, and across organisations. But we were still amazed that 141 respondents chose to explain their concerns.

The responses suggest not hostility to AI itself, but concern that deployment is running ahead of organisations' ability to govern it effectively. Respondents repeatedly acknowledge the efficiency and competitive opportunities AI offers, while worrying that boards, employees, policies and assurance mechanisms are not yet keeping pace. "[We are] sleepwalking into using AI without fully understanding the risk and opportunities," said one. "[It risks us] failing to grasp the opportunities AI presents because of the perceived risks."

So what are those risks? Governance professionals, of course, are well-placed to explain...

- **Rapid roll-out with weak oversight and accountability**

Respondents worry that AI is being adopted before appropriate governance structures have been designed. "Experimentation outside of the guardrails that have been set," was one risk cited, shared by many other respondents who know for some teams, AI is just too tempting a tool to ignore.

Several respondents questioned whether 'a policy' can provide genuine visibility and control in any case. And the speed with which AI has landed is a problem: "[The risk is] maintaining clear accountability and effective oversight as AI becomes embedded in business decisions."

AI, then, is creating a risk of decision-making detached from responsibility. If a decision is shaped by an algorithm, generated by an external model, and reviewed only superficially by an employee, governance professionals worry where meaningful accountability sits.

- **Data security, confidentiality and cyber risk**

Around 18% of responses explicitly mention data confidentiality, cyber security, and other information risks in their response. Specific concerns vary between inadvertent disclosure of confidential information (possible via uploaded documents in LLMs) and creating avenues for breaches.

One underlying concern is that it is employee behaviour, rather than some technological failure, that exposes the organisation – making it far harder to police. AI governance starts to look a lot like existing information governance – cyber security and data-protection – rather than being a wholly separate risk category. But employee sensitivity to the risks remains much lower than in those areas, and there are fears about controls at the system level.

- **Lack of AI skills and training**

The comments here aren't just around employees using 'shadow AI'. Board capability is a recurrent concern: "The trustees not keeping up with the developments, risks and their responsibilities around AI," said one charity governance leader; but similar responses are evident across the sample.

One revealing response describes polarisation within the organisation: "There's over-confidence from some – and lack of confidence in others, which results in inappropriate or no use." Organisations may contain both enthusiasts who underestimate the risks; and sceptics who avoid AI altogether. The governance challenge is to establish a shared level of AI literacy, rather than expecting every director or employee to become a technical expert.

- **Accuracy and hallucinations**

Around 16% of respondents explicitly identify accuracy or reliability as a risk, although concerns about this appear indirectly in many more answers. As one governance professional pointed out, their job is to "ensure decisions are made based on reliable, verified information" not just whatever the computer generates.

Respondents are particularly concerned about AI entering formal governance processes. One identified the key risk as, "The use of AI to prepare board papers and minutes. Not always accurate and can waste time," while another stressed: "AI minutes I have tested cannot 'read the room' and I have seen AI minutes add words that were not said."

So this isn't generic hand-wringing about hallucinations. Board minutes, papers, risk reports and assurance information form part of the formal record through which accountability is exercised. Inaccuracies here can become governance failures, not just productivity traps.

- **Decline in critical thinking; deskilling**

Roughly one in ten responses explicitly raises over-reliance on AI tools, loss of reasoning powers or declining human skills. A couple explicitly worried that over-worked directors were using AI to cope. Others fear

that human capacity to identify those errors may deteriorate as reliance on AI increases.

One describes the longer-term risk: "We could end losing human knowledge of how things should be done, so when something goes wrong [with the AI] we don't have the skills or tools to fix it." This suggests an important distinction between AI-assisted governance and AI-dependent governance. Respondents appear relatively comfortable with the former; but deeply concerned about the latter.

This ties in with another widely held concern: human overseers who limit their exposure to the data and analysis underpinning decisions might lose crucial sensitivity to the mistakes AIs can make – even if they're a designated 'human overseer'. And, we note, these worries were particularly acute in health and education settings...

One governance professional articulated the base risk that there will: "No longer [be a] requirement for Co Sec to be in board meetings."

Taken collectively, the responses suggest that the greatest perceived threat is not just AI behaving autonomously and injecting unmanaged risks into processes; or defective data driving decisions. It is AI magnifying existing organisational weaknesses.

Weak board scrutiny becomes more dangerous when directors cannot assess AI-generated information. Poor data discipline becomes more dangerous when employees can upload information into external models. Inadequate training becomes more consequential when AI tools are available to everyone. Weak accountability becomes harder to manage when decisions emerge from combinations of employees, vendors, algorithms and datasets.

We can use the comments from the Bellwether survey to reveal some points of tension that every board should consider when they're trying to formulate their own AI approach.

- **Speed versus control**

Organisations feel commercial pressure to adopt AI faster than governance frameworks can develop. How do we rein in one and/or accelerate the other?

- **Efficiency versus assurance**

AI can produce work faster, but checking it can itself become a significant governance task. Are our 'humans in the loop' well-trained enough to cope?

- **Automation versus judgement**

Respondents want AI to augment expertise rather than displace the critical thinking on which governance depends. How do we ensure senior leaders and employees are continuing to apply their expertise?

- **Innovation versus information security**

Easy access to powerful tools creates new routes for confidential information to leave the organisation. Is our cyber regime adapting?

- **Opportunity versus capability**

Organisations risk both reckless adoption of AI and failing to exploit it because boards lack sufficient confidence and understanding. Are we locking down the hard benefits with the right level of governance?

As one governance professional told us, their number one risk is "Over reliance on AI to change the world, coupled with overconfidence in our ability to challenge the appropriateness of its use."

About the survey

The *Boardroom Bellwether* has been a feature of the CGIUKI calendar for more than a decade, but this year's report represents the first major overhaul of the survey questionnaire since its inception.

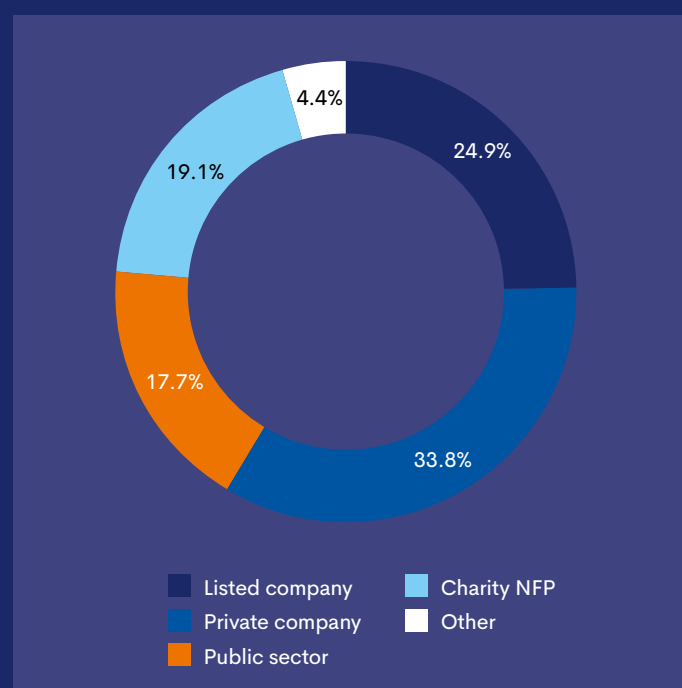
In total 319 company secretaries and other governance professionals logged on to complete the first section; more than 210 completed the entire survey, giving us even greater statistical confidence in this year's findings.

The survey was fielded in July 2026; all personally identifying information about respondents is removed prior to analysis.

The make-up of the respondents this year more than ever reflects both the CGIUKI membership and the community of governance professionals.

Alongside the increase in response levels, this spread of responses from listed, private, not-for-profit and public sector has allowed us to highlight specific governance challenges in each type of entity. The CGIUKI serves not only company secretaries from the biggest blue-chip to the smallest private companies, it also supports good governance in the NHS, education, charities, sports organisations and more.

Throughout this report, we have grouped NHS and education respondents into the 'public sector' category. 'Other' includes housing and sport & recreation.



In all, 72% of the respondents who completed the entire survey are based primarily in the UK, with a handful each in the Republic of Ireland and the Channel Islands; 22% are based overseas. (In fact, non-UK-based governance professional represented about half the responses in the first two sections of the questionnaire.) This reflects the evolving CGIUKI membership, and is a welcome development.

Finally, an important disclosure: we did use an LLM to conduct a sentiment analysis of the free-text responses provided in the survey. Three important safeguards were

involved. First, we combed the responses for any reference that might identify organisations, people or brands and removed them from the extracted data.

Second, we used a private subscription of ChatGPT to restrict the responses' use as training data for OpenAI. And third, we double-checked the outputs against the raw data, then reworked the copy to conform to CGIUKI standards. AI is, and will become more, useful in this kind of analysis – but 'human-in-the-loop' checks at every stage remain critical for good governance.



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