

HILLSIDE AI · AI TRANSFORMATION TOOLKIT — POLICY TEMPLATE

# AI Incident Response Plan

*The procedure for identifying, escalating, investigating, and communicating AI-related incidents*

Chapter Reference: Chapter 9 — Building Your AI Policy Stack

**HOW TO USE**

*This template provides the structure and key questions your policy must answer. Customise each section for your organisation's specific context, legal jurisdiction, and AI programme. Have your Legal team review before finalising. Review and update at minimum annually.*

<b>Document Title:</b>	[Organisation Name] AI Incident Response Plan
<b>Version:</b>	1.0
<b>Effective Date:</b>	
<b>Review Date:</b>	
<b>Document Owner:</b>	
<b>Approved By:</b>	

## What Is an AI Incident?

An AI incident is any situation where an AI system produces an output or makes a decision that is harmful, incorrect, discriminatory, legally non-compliant, or in violation of this organisation's AI Use Policy or Data Ethics Charter.

*Incident examples: model accuracy falls below minimum threshold; discriminatory output detected; data breach involving AI-processed data; regulatory query about an AI-driven decision; client complaint about an AI system's output.*

## Stage 1: Detection

AI incidents may be detected through:

- **Automated monitoring alerts (define monitoring system and alert thresholds)**
- **Human reporting by staff observing anomalous AI behaviour**
- **Client or customer complaints about AI-driven outputs or decisions**
- **Regulatory enquiries**

*Reporting channel: [Define — email, ticket system, named contact]*

*Initial assessment timeframe: All reported concerns assessed within [24/48] hours*

## Stage 2: Escalation

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*Severity Level 1 (Low): Notify AI System Owner within [5] business days.*

*Severity Level 2 (Medium): Notify AI Governance Lead and Legal within [24] hours.*

*Severity Level 3 (High): Notify CEO/Executive Sponsor, Legal, and Board within [4] hours.*

*Severity Level 4 (Critical): Immediate notification. Consider system suspension.*

■ **Severity criteria: [Define impact thresholds for each level]**

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■ **Escalation contacts: [Name and contact for each role]**

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## Stage 3: Containment

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Immediate containment actions (complete within [2] hours of High/Critical escalation):

■ **Assess whether AI system should be suspended pending investigation: [Decision authority]**

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■ **If suspended: activate manual process backup [define process]**

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■ **Restrict system scope if full suspension not warranted: [define scope restriction options]**

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■ **Preserve all relevant logs, model versions, and data for investigation**

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*Containment authority: [Who has authority to suspend an AI system?]*

## Stage 4: Investigation

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■ **Investigation lead: [AI Governance Lead / Legal / External Expert]**

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■ **Investigation team composition: [Define]**

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■ **Required investigation outputs: root cause, affected parties, estimated impact, control failure**

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■ **Investigation timeline: Preliminary findings within [5] business days of escalation**

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■ **Final report within [20] business days**

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*Investigation report template: [Link or attach]*

## Stage 5: Communication

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Internal stakeholders — notify within [define timeline] of confirmed incident:

■ **Board / Audit Committee: [Yes/No — threshold for notification]**

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■ **All-staff communication: [Yes/No — define when appropriate]**

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External parties — notify as legally required and as appropriate:

■ **Affected individuals: notification within [72 hours] of confirmed data breach**

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■ **Regulators: notification per applicable regulatory requirements**

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- **Clients: notification within [define timeline] where incident affects their data or decisions**
- **Media / Public: only with CEO and Legal approval — [define spokesperson]**

## Post-Incident Review

- **Within [30] days of incident resolution: conduct structured lessons learned review**
- **Update AI Risk Register to reflect new or modified risks identified**
- **Update relevant policy documents if gaps identified**
- **Report findings and actions to AI Governance Lead and senior leadership**
- **Annual tabletop exercise to test this plan: [Schedule]**

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