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Board audit and risk review excerpt

Stratum Retail – AI cost and resilience assessment

Prepared for: Board audit committee

Prepared by: Internal audit

Executive summary

Stratum Retail is expanding AI across pricing, fraud detection and customer support.

Technology capability is strong.

Governance is uneven.

The primary gap is not monitoring. It is lifecycle discipline.

1. AI service lifecycle

Current state

- No single inventory of all AI services in production
- No defined review cadence for deployed endpoints
- No retirement process for underperforming services

Risk

Unused or inefficient services remain active. Cost accumulates silently.

2. Peak scaling controls

Current state

- Auto-scaling enabled across multiple AI endpoints
- No defined cost ceiling during peak events
- No documented degradation protocol

Risk

AI scaling during high-traffic events may materially reduce margin.

3. Workload placement policy

Current state

- No formal rule governing owned versus cloud usage
- Placement decisions are team-driven

Risk

Under-utilised owned infrastructure and unnecessary cloud spend.

4. Data movement oversight

Current state

- No consistent monitoring of large data transfers
- Third-party model calls not centrally inventoried

Risk

Cost leakage and compliance exposure.

Overall assessment

Stratum Retail has operational strength.

AI governance must match that strength.

Formal lifecycle policy is required to protect margin at scale.