The Three Levels of AI Assurance

A free reference from AI GOVERNANCE CHAIN™

Abbreviations and Acronyms

No prior knowledge is assumed. Every acronym used in this document is defined below.

AI: Artificial Intelligence

ISO/IEC 42001: the international standard for Artificial Intelligence Management Systems, published in December 2023 by the International Organization for Standardization (ISO) and the International Electrotechnical Commission (IEC)

Why assurance comes in levels

Not all proof is equal. A claim you make about yourself is weaker than a review by someone independent inside your organization, which is weaker than a verdict from an outside party. Knowing which level you are at, and which level your stakeholders require, prevents two costly mistakes: over-investing in formal audit when self-assurance would do, and claiming trust you have not earned.

This is the WHAT and the WHY. The instruments to operate each level are the paid layer.

Level 1: First-party assurance (self-assessment)

You assess your own governance against a standard and document the result.

- - Strength: fast, low cost, builds the evidence habit.
- - Limit: the assessor and the assessed are the same party, so external trust is low.
- - Use it for: internal readiness, Micro and Small organizations, the starting point for everyone.
- - Proof it produces: a dated self-assessment with evidence references.

Level 2: Second-party assurance (independent internal review)

A person or function independent of the build team reviews the governance.

- - Strength: materially more credible, catches the blind spots the builders cannot see.
- - Limit: still inside the organization, so a skeptical regulator or buyer may want more.
- - Use it for: high-risk systems, Mid and Large organizations, board assurance.
- - Proof it produces: an independent review report with findings and management response.

Level 3: Third-party assurance (external audit and certification)

An outside body audits the governance and issues a verdict, up to formal certification (for example, against ISO/IEC 42001).

- - Strength: the highest level of external trust, often required for procurement and regulation.
- - Limit: the most time and cost, requires the lower levels to be in place first.
- - Use it for: Enterprise, public sector, regulated industries, certification goals.
- - Proof it produces: an audit opinion or certificate recognized by third parties.

The governing principle

Assurance rises with independence. The further the assessor sits from the thing being assessed, the more the proof is worth to an outsider. Build from Level 1 upward. You cannot credibly reach Level 3 without the evidence discipline of Levels 1 and 2.

An anonymized case

A public agency (T4, public) was told by its oversight body to obtain third-party certification within a year. It tried to jump straight to Level 3 and failed the readiness stage, because it had no first-party evidence trail to audit. It spent six months building Level 1 and Level 2 discipline, then passed. The lesson is structural: assurance is a ladder, not a leap.

Where the free version stops, and the paid version begins

This reference tells you which level you need. The AI Assurance and Audit Kit (paid) gives you the working instruments to operate each level: the self-assessment protocol, the independent review template, the audit-evidence pack, and the certification-readiness map.

Your next step: Get the **AI Assurance and Audit Kit, Full Edition** in the Execution Library (www.aigovernancechain.com/storefront.html, section: The Core Governance Kits). Every instrument in the Execution Library is also included in the **Governance Vault**, the all-access annual licence.

AI GOVERNANCE CHAIN™

AI Governance Framework

Member, Harvard Business Review Advisory Council.

Document standard: human-first AI governance.