

EXECUTIVE GOVERNANCE WORKBOOK

THE TWO-LEDGER CHECKLIST

Measure AI value and AI failure with equal discipline.

A practical worksheet for hospital executives, finance, quality, patient safety, technology, compliance, and operational leaders.

VERSION 1.2

FILLABLE WORKBOOK

AUGMENTED LEADERSHIP HQ | AUGUST 31, 2026

01

VALUE

Cost, return, utilization, and verified results

02

FAILURE

Errors, near misses, drift, and patient concerns

FILLABLE WORKBOOK

Use one system. Bring evidence. Leave with a decision.

Type directly into this PDF, then save a completed copy, print it, or share it with colleagues.

FIVE-STEP REVIEW

- 1

Select the system
Choose one use case that is in production or nearing a go-live decision.
- 2

Bring the right owners
Include the executive, operational owner, finance, quality or safety, IT or security, and a frontline representative.
- 3

Score from evidence
Use current documentation and measured results, not confidence or intent.
- 4

Name every gap
Assign one owner and one due date to each unresolved control.
- 5

Reconcile and decide
Review both ledgers before expansion, renewal, or continued operation.

SCORING KEY

0

NOT ESTABLISHED
No defined process or evidence

1

PARTIAL
Process exists, but coverage is incomplete

2

ESTABLISHED
Documented, owned, active, and evidenced

This is an ALHQ operating rubric, not a validated maturity model or a substitute for legal, clinical, privacy, security, or regulatory review.

SYSTEM UNDER REVIEW

AI SYSTEM OR USE CASE

VENDOR AND PRODUCT VERSION

WORKFLOW AND DEPARTMENT

LIFECYCLE STAGE

ACCOUNTABLE EXECUTIVE

OPERATIONAL OWNER

CLINICAL OR SAFETY OWNER

REVIEW DATE AND PERIOD

NEXT DECISION DATE

GOVERNANCE BODY

FILLABLE WORKBOOK

Build the business case from measured conditions.

Separate assumptions from verified results and record the owner, source, and reporting period for each figure.

A. FOUNDATION CONTROLS

#	CONTROL	SCORE	0	1	2	EVIDENCE / OWNER / ACTION
1	The use case, intended users, affected workflow, and decision consequences are documented.		☐	☐	☐	
2	One executive is accountable for value, and one leader is accountable for safety and failure surveillance.		☐	☐	☐	
3	The organization maintains the deployed model, software, configuration, and interface versions.		☐	☐	☐	
4	A pre-deployment operational and financial baseline exists for comparison.		☐	☐	☐	

FOUNDATION SUBTOTAL / 8

B. VALUE LEDGER

#	CONTROL	SCORE	0	1	2	EVIDENCE / OWNER / ACTION
5	Current workflow cost is documented using an agreed baseline period.		☐	☐	☐	
6	Addressable labor, expense, capacity, or revenue opportunity is defined without double counting.		☐	☐	☐	
7	Acquisition, implementation, integration, infrastructure, and interface costs are captured.		☐	☐	☐	
8	Training, workflow redesign, adoption support, and change-management costs are captured.		☐	☐	☐	
9	Human review, verification, exception handling, and escalation time are measured.		☐	☐	☐	
10	Monitoring, maintenance, remediation, security, and recurring operating costs are captured.		☐	☐	☐	
11	Minimum utilization or volume needed to break even is calculated and tested locally.		☐	☐	☐	
12	Post-deployment financial and operational results are verified against the baseline on a defined cadence.		☐	☐	☐	

VALUE LEDGER SUBTOTAL / 16

FILLABLE WORKBOOK

Make failure visible before it becomes expensive.

Capture technical defects and failures of the operating model, including events that never reach a patient.

C. FAILURE LEDGER

#	CONTROL	SCORE	0	1	2	EVIDENCE / OWNER / ACTION
13	Staff can report an AI event through a known pathway, preferably the existing safety-event system with a specific AI category.		☐	☐	☐	
14	The reporting taxonomy covers incorrect output, significant omission, failed escalation, unsafe action, improper access, routing error, automation bias, performance drift, and disparate subgroup performance.		☐	☐	☐	
15	Near misses, workarounds, quiet abandonment, and repeated overrides can be recorded, not only events that reach a patient.		☐	☐	☐	
16	Patient concerns, disclosure failures, consent concerns, and unresolved complaints have a defined intake and routing path.		☐	☐	☐	
17	Each event record identifies the system and version, workflow, time, consequence, severity, and whether a patient or care decision was affected.		☐	☐	☐	
18	Triage ownership, escalation thresholds, review timelines, and closure criteria are documented.		☐	☐	☐	
19	Performance deterioration and clinically or operationally relevant subgroup differences are monitored after deployment.		☐	☐	☐	
20	Root cause, containment, remediation, recurrence, and the cost of failure are recorded and reviewed.		☐	☐	☐	

FAILURE LEDGER SUBTOTAL / 16

OPERATING PRINCIPLE A concern that never reaches the right owner is an oversight failure even when the algorithm performs as designed.

CLOSE THE LOOP

REPORT
Capture event or concern

TRIAGE
Route by consequence

CONTAIN
Protect the workflow

INVESTIGATE
Find cause and recurrence

RECONCILE
Return cost to Value

FILLABLE WORKBOOK

Use a minimum viable record before adding complexity.

These fields can be added to an existing portfolio, finance, safety, or governance workflow.

MINIMUM VALUE LEDGER RECORD

REPORTING PERIOD	BASELINE COST	TOTAL AI COST	UTILIZATION / VOLUME	VERIFIED BENEFIT	NET VALUE	VARIANCE FROM PLAN	EVIDENCE OWNER

CALCULATION NOTES AND ASSUMPTIONS

MINIMUM FAILURE LEDGER RECORD

EVENT ID / DATE	SYSTEM / VERSION	INCIDENT TYPE	PATIENT OR DECISION AFFECTED?	SEVERITY / NEAR MISS	IMMEDIATE CONTAINMENT	OWNER / STATUS

ROOT CAUSE, REMEDIATION, RECURRENCE, AND COST

INCIDENT TYPES TO ENABLE

- ☐ Incorrect or fabricated output
- ☐ Clinically significant omission
- ☐ Failed escalation or unsafe action
- ☐ Improper data access or routing
- ☐ Automation bias or repeated override
- ☐ Performance drift or disparate performance
- ☐ Disclosure, consent, or patient concern

FILLABLE WORKBOOK

Reconcile both ledgers before you scale.

Failure-related rework, remediation, abandonment, and trust costs belong in the financial record.

D. GOVERNANCE AND RECONCILIATION

#	CONTROL	SCORE	0	1	2	EVIDENCE / OWNER / ACTION
21	A governance body reviews both ledgers on the same reporting cadence.		☐	☐	☐	
22	Failure-related rework, remediation, downtime, abandonment, and trust costs flow back into the Value Ledger.		☐	☐	☐	
23	Expansion, renewal, and capital decisions use verified results from both ledgers.		☐	☐	☐	
24	Named leaders have authority to restrict, pause, roll back, or retire the system under defined triggers.		☐	☐	☐	
25	Material model, vendor, workflow, data, interface, and policy changes trigger a documented reassessment.		☐	☐	☐	

GOVERNANCE SUBTOTAL / 10

TOTAL READINESS SCORE

/ 50

0-19

MATERIAL EXPOSURE

Do not expand. Establish owners, baselines, reporting, and stop authority.

20-34

PARTIAL MODEL

Continue only with named conditions, due dates, and executive follow-up.

35-44

OPERATIONAL WITH GAPS

Close evidence and reconciliation gaps before scale or renewal.

45-50

DISCIPLINED PRACTICE

Maintain surveillance, test triggers, and verify active reporting.

RECOMMENDED DECISION

- ☐ PROCEED
- ☐ PROCEED WITH CONDITIONS
- ☐ HOLD EXPANSION
- ☐ PAUSE
- ☐ RETIRE

DECISION OWNER

DECISION DATE

NEXT REVIEW DATE

CONDITIONS, TRIGGERS, OR RATIONALE

FILLABLE WORKBOOK

Turn the review into a 30-day operating plan.

Use the five governance questions to frame the decision, then assign the three highest-priority gaps.

FIVE QUESTIONS FOR THE NEXT GOVERNANCE MEETING

- ☐ Do we know the complete lifecycle cost of every production AI system?
- ☐ Have we established measurable financial and operational baselines?
- ☐ Can employees report an AI error or near miss through our existing safety system?
- ☐ Do our disclosure and consent practices reflect the consequences of each AI use case?
- ☐ Who has the authority to pause or remove an AI system after deployment?

30-DAY ACTION PLAN

PRIORITY	ACTION	OWNER	DUE DATE	EVIDENCE OF COMPLETION
1				
2				
3				

WHAT COMPLETE LOOKS LIKE

Both ledgers are reviewed together, costs move between them, and a named leader can pause the system when evidence crosses a defined threshold.

EXECUTIVE NOTES

SOURCE AND USE NOTE

Derived from ALHQ Issue #2, Hospitals Need Two AI Ledgers: Value and Failure. Evidence and limitations are documented in the companion Healthcare AI Evidence File. Local policy, law, contracts, clinical risk, and regulatory requirements should determine final control design.

MOST RECENT: v1.2
FILLABLE WORKBOOK