

# AI Governance Policy for Your Practice

Risk management topic:

Practice Management



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*Lawcover's Sample AI Policy is now available for insured practices - a practical, adaptable resource to help your firm manage AI safely and comply with professional obligations.*

The rapid rise of generative AI tools in recent years has presented opportunities as well as challenges for the legal profession. While these technologies offer genuine potential to enhance efficiency and support the delivery of legal services, their use introduces new risks that law practices must carefully manage.

The speed at which AI tools have entered everyday workflows means that many solicitors and support staff are already experimenting with them; often without full awareness of the limitations, privacy implications or professional obligations that apply. As with any emerging technology, the benefits can only be realised when clear guidance and safeguards are in place.

To assist practices in navigating this evolving landscape, Lawcover has developed a **Sample AI Policy** to help principals set expectations within their firms around use of AI tools. This suggested policy is intended as a flexible starting point, enabling firms to adapt and adopt it in a way that suits their size, structure and areas of practice. Its purpose is to help practices set expectations within their firms, educate personnel and implement controls that support the responsible and compliant use of AI tools in the workplace.

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## SAMPLE AI POLICY FOR LAW FIRMS

### Commentary

With the proliferation of generative AI tools in recent years it has become important for law practices to consider adopting a policy to govern the use of generative AI tools by its solicitors and support staff in the workplace. While recognising the potential for these technologies to improve the efficiency of legal services, there is a need to educate staff on the limitations and risks and put measures in place to govern the responsible use of AI. This suggested sample AI policy is designed to be adopted by law firms for their personnel.

Small law practices can build their own AI policy by following these simple steps:

- 1. Is this suitable for your practice?**  
Read through the sample policy and consider whether it is suitable for your practice. Depending on your jurisdiction and the type of legal work you do it may be appropriate to refer to different conduct rules or different practice notes or guidance in paragraph 3.5. This policy includes reference to the more restrictive NSW Supreme Court practice note, but this should be amended depending on your requirements. If your practice has already authorised the use of certain AI tools for particular purposes you may wish to set that out in paragraph 2.2.
- 2. Make it your own**  
Replace [\[Law Practice\]](#) with the name of your law firm throughout the document. Decide whether you or someone else should have the authority to approve AI tools for use, and insert the appropriate person's name in paragraphs 3.1 and 3.3.
- 3. Tell your team**  
Once the policy has been adopted, distribute it to all personnel and talk to them about what it means. We recommend that training be provided on the use of generative AI and its limitations and risks. Ensure that the policy is brought to the attention of any new permanent or temporary personnel.
- 4. Approving AI tools**  
For the person charged with approving AI tools, it is recommended that the approval process be informed by a comprehensive risk assessment that considers:
  - a. Data privacy and confidentiality risks
  - b. Accuracy and reliability of outputs
  - c. Potential biases in AI systems
  - d. Regulatory compliance implications
  - e. Professional liability considerations
  - f. Potential impacts on clients
  - g. Auditability of the AI tool and its associated processes.
- 5. What about clients?**  
This policy is aimed at protecting you and your staff from potential claims and/or disciplinary action. When clients input their personal information or communications with you into an AI tool they may unwittingly waive their legal professional privilege. Consider warning clients of this risk.

## AI Governance Policy for Your Practice

The risks of AI use have prompted courts and regulators to set expectations around how AI may be used in legal work. In NSW, for example, the **Supreme Court's Practice Note SC Gen 23** outlines strict requirements for the use of AI in litigation. It prohibits the use of AI tools to generate evidentiary material such as affidavits or witness statements, and requires practitioners to independently verify all authorities, citations and references where AI has been used to assist with drafting submissions or other documents. These obligations reinforce why internal governance is essential, and the Lawcover template policy will assist your practice to comply with court requirements.

By adopting an AI policy, practices can better protect client confidentiality, manage professional risks, and ensure staff understand both the capabilities and limitations of generative AI.

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