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Use of Artificial Intelligence (AI) Policy

Purpose

This policy governs the responsible use of artificial intelligence (AI) technologies by the Municipality of Middlesex Centre to enhance municipal service delivery and operations while protecting privacy and complying with applicable legislation.

This policy ensures transparency, accountability, and ethical AI use that fosters public trust.

Scope

This policy applies to:

- all AI systems developed, procured, acquired or customized by Middlesex Centre or any of its service areas or corporations for use in municipal operations, decision-making, or service delivery.

- systems or components that incorporate AI, whether purchased from third-party vendors, developed internally, or obtained as part of broader technological solutions and deployed for municipal operations, internally or externally. These include but are not limited to systems and components used for public service delivery, data processing, automated decision-making, infrastructure management, or any other function where AI is used to augment, automate, or support municipal activities.

Definitions

Artificial Intelligence (AI) means a branch of computer science that enables machines and systems to perform tasks that would typically require human intelligence. This includes tasks such as learning, problem-solving, decision-making, pattern recognition, and language processing. Generative AI and large-language models are two examples of AI systems that have applicability in the municipal work environment.

Algorithmic Impact Assessment (AIA) means a systematic evaluation of an AI or automated decision system, designed to assess the potential risks, biases, privacy implications, and ethical considerations of the system.

Bias means a systematic error in an AI system's outcomes caused by the use of skewed or incomplete training data, resulting in unfair, discriminatory, or inaccurate predictions or decisions.

Data Governance means the comprehensive management of data, including its availability, usability, integrity, and security, throughout its lifecycle.

Equity means the principle that AI systems should provide fair outcomes for all individuals and groups, particularly marginalized or vulnerable communities.

Ethical AI means the concept that AI systems should be designed and deployed to adhere to ethical standards, including respect for privacy, transparency, fairness, and accountability.

Fairness means ensuring that AI systems make decisions impartially, without discrimination against individuals based on characteristics such as race, gender, ethnicity, socioeconomic status, or disability.

Generative AI means a subset of AI systems that generate new content such as text, images, videos, or audio from data inputs. These systems use algorithms like large language models (LLMs), neural networks, and deep learning techniques to create content based on patterns found in their training data.

Human-in-the-Loop (HITL) means an approach in AI system design that ensures human oversight and intervention at critical decision points.

Large Language Models (LLMs) are a type of AI that is pre-trained on large amounts of data to learn how language works, extracting meaning from text to understand the relationship between words and phrases.

Privacy Impact Assessment (PIA) means a process for identifying, assessing and mitigating privacy risks. A PIA is a due diligence exercise to analyze the effects of a technology, system, program or service design on the privacy of individuals.

Procedural Fairness means the legal principle requiring decisions made by AI systems, particularly those affecting individuals rights or privileges, to be fair, unbiased, and open to review or challenge by affected parties.

Training Data means the dataset used to teach an AI system how to make predictions or decisions.

Transparency means the practice of ensuring that the operation, purpose, and decision-making process of AI systems are open and accessible to the public and stakeholders.

Roles & Responsibilities

Middlesex Centre Council – Council holds the authority to approve policies related to AI and to ensure that the strategic direction of the municipality aligns with the responsible and ethical use of AI technologies, promoting transparency, fairness, and accountability across

municipal operations. When acting in their official capacity and/or using municipal IT hardware, software or other systems, council members must follow corporate AI policy guidelines.

Directors – Directors are tasked with operationalizing the AI policy within their respective departments. This includes identifying AI opportunities, ensuring their teams are trained on the appropriate use of AI, and integrating AI technologies into their operations in accordance with this policy. Directors must coordinate with the Director of Corporate Services, the Manager of Legislative Services/Municipal Clerk, and Information Technology Services (Middlesex County Director of ITS or their designate) to ensure compliance with risk management, transparency, and data governance (privacy) standards.

Information Technology Services (ITS) – ITS, which is provided to the Municipality of Middlesex Centre by the County of Middlesex, is responsible for conducting technical risk assessments for all AI systems, including evaluating cybersecurity risks, data governance protocols, and system reliability. In collaboration with the Director of Corporate Services and the Manager of Legislative Services/Municipal Clerk, ITS will assist in completing Algorithmic Impact Assessments (AIA) for each AI system before deployment. ITS is tasked with ensuring that AI systems align with the municipality's technological infrastructure, data protection policies, and security standards.

Manager of Legislative Services/Municipal Clerk – The Manager of Legislative Services/Municipal Clerk will conduct AIAs in collaboration with the Director of Corporate Services and ITS, ensuring that all AI systems are evaluated for risks related to privacy, equity, procedural fairness, and compliance with legal obligations. The Manager of Legislative Services/Municipal Clerk will ensure that new AI systems are coordinated with other privacy regulations and policies, including but not limited to the *Municipal Freedom of Information and Protection of Privacy Act* (MFIPPA), 1990, as amended.

Employees – All municipal staff are required to comply with this AI policy and any related municipal AI guidance, including the ethical use of AI technologies and the protection of personal information. Staff must report any concerns or potential issues related to AI use to their supervisor.

Procedure

1. Policy Objectives

This policy looks to establish how Middlesex Centre will:

- enhance municipal services through AI

- ensure ethical use of AI

- protect privacy and personal data

- promote transparency and accountability

2. Guiding Principles

As AI technologies continue to evolve, Middlesex Centre recognizes the transformative potential they hold for enhancing municipal service delivery, decision-making, and operational efficiency.

The guiding principles outlined in this section provide a framework for the ethical and responsible use of AI within Middlesex Centre. These principles serve to safeguard privacy, promote fairness, and ensure that AI systems are deployed in a manner that is inclusive, transparent, and accountable to the public.

- **Innovation & Sustainability** – Middlesex Centre commits to using AI responsibly to innovate and meet resident's needs, ensuring the use of AI is aligned with our mission, "to deliver the highest standard in municipal services in a sustainable, professional and innovative manner."

- **Privacy & Security** – All AI systems will comply with applicable legislation including the *Municipal Freedom of Information & Protection of Privacy Act* (MFIPPA). No personal data shall be submitted to publicly accessible AI systems.

- **Transparency & Accountability** – AI use will be disclosed to the public through clear and understandable documentation.

- **Equity & Bias Mitigation** – AI systems will be developed and evaluated through an equity lens to minimize biases and prevent discrimination, particularly for marginalized or vulnerable communities. This includes ensuring that training data and algorithms do not perpetuate historical biases.

- **Human Oversight & Accountability** – A human-in-the-loop (HITL) approach will be required for all AI-generated outputs that have significant impacts on individuals or communities. Final decisions affecting individual rights, privileges, or services must involve human intervention.

3. AI Accountability and Risk Management

Human-in-the-Loop Approach

AI systems used in municipal operations will always include meaningful human oversight at key decision points. This is particularly important in cases where AI systems impact residents' rights, privileges, or access to services.

A human-in-the-loop (HITL) approach will be required for all AI systems that support or make decisions affecting individuals. Human operators must review AI-generated recommendations or decisions before they are implemented to ensure fairness and ethical compliance.

When using AI-generated content to prepare reports or in the creation of background information for reports, it is critical for employees to remember that they are responsible for the accuracy and completeness of the information. They are the authors of the report and are accountable for the information contained therein.

Algorithmic Impact Assessments (AIA)

Before deploying any AI system, an Algorithmic Impact Assessment (AIA) must be conducted. This comprehensive risk assessment and accountability framework ensures that AI systems are designed, implemented, and monitored in a way that minimizes potential harm and maximizes benefits to Middlesex Centre and its residents.

Key areas of assessment in the AIA include:

- Privacy Risks – Evaluate how personal data is collected, used, and protected by the AI system, and determine if a Privacy Impact Assessment (PIA) is required.

- Equity & Bias Mitigation – Assess whether the AI system may introduce or perpetuate bias, particularly against marginalized groups.

- Procedural Fairness – Review how AI systems may affect citizens' rights and whether automated decision-making processes adhere to principles of fairness, transparency, and accountability.

- Compliance with Legal Obligation – Consider if the use of an AI system may contravene or lead to contraventions of the Acts, regulations and other legislation to which Middlesex Centre is bound.

- Security & Data Governance – Identify cybersecurity risks associated with the AI system and implement protocols for data protection, including access control and disaster recovery measures.

The process for completing and approving a new AIA is as follows:

- The director or manager of the department seeking to implement a new AI system or AI system-component will complete a draft AIA using a standard template maintained by Corporate Services. In the case of a municipal-wide AI system, the Director of Corporate Services or their designate will complete a draft AIA.

- All draft AIAs will be forwarded to the Director of Corporate Services (or their designate) who will seek the necessary reviews and approvals:

  - Privacy, Equity & Procedural Fairness, Compliance with Legal Obligations – To be reviewed and approved by the Manager of Legislative Services/Municipal Clerk or their designate. Note additional reviews such as a PIA or review by legal counsel may be required as part of this process.

  - IT Risks – To be reviewed and approved by ITS.

- Once the reviews are complete, the Director of Corporate Services will notify the department seeking approval of the outcome of the review and update the list of AIAs if appropriate.

4. Privacy Considerations

Middlesex Centre is committed to ensuring compliance with all relevant legislation and policies in the use of AI systems, including but not limited to:

- *Municipal Freedom of Information and Protection of Privacy Act* (MFIPPA)

- *Enhancing Digital Security and Trust Act*, 2024, as amended

- Other relevant privacy guidelines issued by the Information and Privacy Commissioner of Ontario, and applicable sector-specific legislation

5. Public Notice of Use of AI Systems

As part of Middlesex Centre's commitment to transparency and accountability, the municipality will provide information to the public about the use of AI systems.

- An update on the use of AI at Middlesex Centre will be presented to Council annually, aligning with the annual report on the IT Master Plan.

- A statement about the use of AI technologies will be added to the municipal website. This will include information on the municipality's data privacy approach, and also who to contact for more information about the specific AI systems used.

6. Strategies to Support the Implementation of AI

Related to this policy, a series of strategic initiatives to support the effective use of AI will be prepared every four years or as required. A review of the success of these initiatives will be included in the Director of Corporate Services' annual report to Council.

7. Training

AI's application in the workplace is quickly evolving. Middlesex Centre will offer training to ensure that staff can implement AI in their work in keeping with the guiding principles of this policy.

- All staff who have regular access to Middlesex Centre data and IT systems as part of their work will be required to have training on AI and privacy.

- As AI will have different applications across the various municipal departments, training needs will be determined on a case-by-case basis by managers and/or department heads.

8. Continuous Improvement

As part of Middlesex Centre's commitment to innovation and continuous improvement, staff are encouraged to share their ideas for incorporating AI systems into their work, for learning opportunities related to AI, and for enhancing our AI policy and strategies. Staff can promote their

ides through their manager, or through the municipality's Continuous Improvement Program. Ideas will be reviewed and incorporated into the municipality's AI strategy if appropriate for the workplace and as budget allows.

Policy Review

This policy will be formally reviewed once every four (4) years, or as necessary.

Related Policies and Guidance Documents

- Strategic Plan

- IT Master Plan

- Customer Service Review

- Acceptable Use of Technology Policy

- Protection of Privacy and Confidentiality of Information Policy