



**Policy:** Artificial Intelligence (AI)

**Policy Number:** CP-A-10.10

**Effective Date:**

**Approval:** *date approved by CAO*

**Disclaimer:** If required, interpretation is subject to the discretion and authorization of the Chief Administrative Officer. All policies are subject to change without notice.

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## POLICY STATEMENT:

The Municipality of Thames Centre is dedicated to promoting innovation while prioritizing individual rights, transparency, accountability, and ethical use of artificial intelligence (AI). Our aim is to build public trust and ensure the responsible application of AI technologies, protecting privacy, addressing biases, and maintaining confidence in public institutions. As AI technologies advance, we acknowledge their significant potential to improve municipal services, decision-making, and operational efficiency.

## PURPOSE:

The purpose of this policy is to govern the responsible use of artificial intelligence (AI) technologies by the Municipality of Thames 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 Thames Centre for use in municipal operations, decision making or service delivery. This includes systems or components that incorporate AI, whether purchased from third party vendors, developed internally or by Middlesex County IT, or obtained as part of broader technological solutions.

This also include AI systems that are deployed for municipal operations, internally, externally, including but not limited to 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.

**“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.

**“CAO”** means the Chief Administrative Officer of the Municipality of Thames Centre or written designate.

**“Clerk”** means the Clerk of the Municipality of Thames Centre or written designate.

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

**“Employee”** means any paid employee, including, but not limited to, full-time, part-time, paid apprenticeships, and seasonal employees.

**“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.

**“Investigator”** means a person appointed by the CAO, which could be an employee or a third party, to conduct an investigation into a privacy breach.

**“Large Language Models (LLMs)”** means 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.

**“Municipality”** means the Corporation of the Municipality of Thames Centre.

**“Personal Information”** means recorded information about an identifiable individual, including,

- a) Information relating to the race, national or ethnic origin, colour, religion, age, sex, sexual orientation or marital or family status of the individual;
- b) Information relating to the education or the medical, psychiatric, psychological, criminal or employment history of the individual or information relating to financial transactions in which the individual has been involved;
- c) Any identifying number, symbol or other particular assigned to the individual;
- d) The address, telephone number, fingerprints or blood type of the individual;
- e) The personal opinions or views of the individual except if they relate to another individual;
- f) Correspondence sent to an institution by the individual that is implicitly or explicitly of a private or confidential nature, and replies to that correspondence that would reveal the contents of the original correspondence;
- g) The views or opinions of another individual about the individual; and
- h) The individual’s name if it appears with other personal information relating to the individual or where the disclosure of the name would reveal other personal information about the individual.

**“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.

## GUIDING PRINCIPLES:

As artificial intelligence (AI) technologies continue to evolve, Thames Centre recognizes

the transformative potential they hold for enhancing municipal service delivery, decision-making, and operational efficiency.

Thames Centre's commitment to innovation will be balanced with a strong emphasis on safeguarding individual rights, ensuring that the use of AI does not compromise privacy, exacerbate biases, or diminish public trust.

The guiding principles outlined in this section provide a framework for the ethical and responsible use of AI within Thames. 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** – Thames Centre commits to using AI responsibly to innovate and meet residents' needs, ensuring the use of AI is aligned with sustainability goals, enhancing services, and reducing environmental impacts.

**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.

## ROLES AND RESPONSIBILITIES:

**CAO** – Chief Administrative Officer holds the authority to approve the Thames Centre AI policy and ensure that the strategic direction of Thames Centre aligns with the responsible and ethical use of AI technologies, promoting transparency, fairness and accountability across municipal operations. Approve the use of any AI technology used on corporate computers.

**Director of Corporate Services** – Recommends the use of any AI technology used on corporate computers.

**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 also coordinate with Director of Corporate Service and Information Technology Services (ITS) and the Director of Legislative Services/Clerk to ensure compliance with risk management, transparency, and data governance standards.

**Information Technology Services (ITS)** - Information Technology Services (ITS) 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 Legislative Services/ Clerk, ITS will assist in completing Algorithmic Impact Assessments (AIA) for each AI system before deployment. ITS is also tasked with ensuring that AI systems align with the municipality's technological infrastructure, data protection policies, and security standards

**Director of Legislative Services/Clerk** - The Director of Legislative Services/ Clerk will conduct Algorithmic Impact Assessments (AIA) in collaboration with ITS, ensuring that all AI systems are evaluated for risks related to privacy, equity, procedural fairness, and compliance with legal obligations.

**Municipal Staff** - All Municipal staff are required to comply with this AI policy, 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.

## AI RISK MANAGEMENT AND REVIEW PROCESS

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

### Key Areas of Assessment

- a) **Privacy Risks** - Evaluate how personal data is collected, used, and protected by the AI system.
- b) **Equity & Bias Mitigation** - Assess whether the AI system may introduce or perpetuate bias, particularly against marginalized groups.
- c) **Procedural Fairness** - Review how AI systems may affect citizens' rights and whether automated decision-making processes adhere to principles of fairness, transparency, and accountability.
- d) **Security & Data Governance** - Identify cybersecurity risks associated with the AI system and implement protocols for data protection, including access control and disaster recovery measures.

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.

Human oversight will be mandatory in the following critical areas:

- a) Financial Resource Allocation
- b) Permitting and Approval
- c) Public Safety

## PRIVACY COMPLIANCE

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

- a) Municipal Freedom of Information and Protection of Privacy Act (MFIPPA)
- b) Personal Information and Protection of Electronic Documents Act (PIPEDA)
- c) Privacy Act
- d) CP-A-9.5 Privacy Breach Policy
- e) Other relevant privacy guidelines issued by the Information and Privacy Commissioner of Ontario, Thames Center policies, Middlesex County policies, and applicable sector-specific legislation.