HALDIMAND COUNTY

Report ITS-02-2025 Corporate Use of Artificial Intelligence Policy

For Consideration by Council in Committee on May 20, 2025

Objective:

To establish an Artificial Intelligence (AI) Policy, in alignment with our peer organizations and Federal and Provincial government recommendations, which will guide users at the Corporation of Haldimand County on the acceptable ways in which established and emergent AI systems should be operated effectively and safely.

Recommendations:

1. THAT Report ITS-02-2025 Corporate Use of Artificial Intelligence Policy be received;

2. AND THAT the Corporate Use of Artificial Intelligence Policy, as attached to Report ITS-02-2025, be approved;

3. AND THAT Council delegate responsibility to the Innovation & Technology Governance Committee (IT Governance Committee) to make changes to Appendix A – Artificial Intelligence Systems – Unacceptable Uses.

Prepared by: Mike Brousseau, Chief Information Officer, Innovation and Technology Services

Respectfully submitted: Mark Merritt, CPA, CA, General Manager, Financial & Data Services

Approved: Cathy Case, Chief Administrative Officer

Executive Summary:

As the use of Artificial Intelligence Systems (AI systems) within our suite of municipal technology solutions has increased exponentially, it has been recognized that policy and practices which define how, when, and when not to use AI are required within the Corporation of Haldimand County (Haldimand). The attached Corporate Use of Artificial Intelligence Policy (the Policy) seeks to ensure we use new AI systems to their maximum effectiveness while also ensuring we are using them safely and securely.

Background:

AI systems, as defined by Ontario Bill 194: the Strengthening Cyber Security and Building Trust in the Public Sector Act 2024, have been present in our municipal suite of software solutions for many years. Among others, these solutions can broadly include operational technology software present in our water systems, tools used to maintain our vehicle fleet, and systems monitoring the security of our online technology infrastructure. However, with the rise of so called "generative AI systems", which are also able to create new and novel content with limited operator guidance, both the Federal and Provincial governments have rapidly sought to define and regulate our use of all AI systems.

This newly created policy takes a principles-based approach to regulating our municipal use of these AI systems to ensure that accountability and responsibility remain with staff, regardless of the information or recommendations produced by these systems. The Policy creates guidance around the safe use of AI systems and excludes the use of these systems in highly sensitive areas (*Appendix A – Artificial Intelligence Systems – Unacceptable Uses of the Policy*). Many of our peer municipalities and public sector organizations have either released similar policies or are in the process of creating similar policies.

Acknowledging that these AI systems are rapidly evolving, staff are recommending that Council approve the attached Corporate Use of Artificial Intelligence Policy while also delegating authority to update *Appendix A - Artificial Intelligence Systems - Unacceptable Uses* of the Policy to the Innovation & Technology Governance Committee (IT Governance Committee). This is being requested to ensure that timely action can be taken if problematic uses are identified by staff to mitigate potential inappropriate uses and risks to staff and the public, reputational harm and broader organizational impacts. The Innovation & Technology Governance Committee brings cross-corporate expertise, including senior management, and is well positioned to make iterative policy adjustments to assess risk and identify emerging trends as AI systems continue to evolve.

Financial/Legal Implications:

There are no financial implications in respect to the adoption or enforcement of this Policy.

This Policy seeks to communicate appropriate expectations to users of AI systems which serves to reduce Haldimand's risk from inappropriate usage and provide Haldimand recourse to address infractions.

Stakeholder Impacts:

This Policy applies to all Members of Council, Members of all Boards and Committees, Volunteers, and all Employees of Haldimand County including full-time, part-time, casual, unionized, non-unionized, and Library staff.

This Policy is in alignment with the Province of Ontario Bill 194, Strengthening Cyber Security and Building Trust in the Public Sector Act, 2024. This Policy is in alignment with the recommendations put forth by the Canadian Centre for Cyber Security (the Cyber Centre) and the Government of Canada's "Government in a digital age" initiatives. This Policy is in alignment with the National Institute of Standards and Technology (NIST) Cybersecurity Framework (CSF) 1.1.

Report Impacts:

Agreement: No

By-law: No

Budget Amendment: No

Policy: Yes

References:

1. Bill 194, Strengthening Cyber Security and Building Trust in the Public Sector Act, 2024

Attachments:

1. Corporate Use of Artificial Intelligence Systems Policy DRAFT - 2025.pdf