

# Use of Artificial Intelligence Policy

Date: December 2023

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## 1. Policy statement

The Audit Office is committed to supporting innovation in the use of new technologies, and to managing the associated risks.

Artificial Intelligence (AI) is a powerful tool for analysing and looking for patterns in large quantities of data, undertaking high-volume routine process work, and automating routine and time-consuming tasks – allowing us to focus on more important activities. The Audit Office has a low-risk appetite towards the use of official Audit Office information in unapproved software, tools and platforms, including AI technologies, and for the unapproved use of AI technologies to obtain or assess information as an input to our audit work.

We encourage employees to experiment with corporate approved AI tools in accordance with Audit Office policies and guidelines.

AI can support our work but it is susceptible to bias, limitations of knowledge, and cannot apply values and judgement like a human. Employees are responsible for ensuring any output produced by AI is critically evaluated, fact-checked, and proofed in accordance with this and other relevant Audit Office policies.

Further guidance can be found on Alfie's Artificial Intelligence page. Employees who are unsure about the appropriateness of a specific use case for AI should contact [cio@audit.nsw.gov.au](mailto:cio@audit.nsw.gov.au) for further guidance.

## 2. Policy objective

This policy aims to ensure that the confidentiality of Audit Office information is protected and that we have guard rails in place for appropriate and responsible use of approved AI. It seeks to:

- define what the Audit Office considers responsible use of AI
- provide governance and guardrails to ensure sensitive information is protected, and ethical and moral values are not compromised
- ensure AI is implemented within the existing parameters of Audit Office policies.

## 3. Scope

This policy applies to all Audit Office employees (including permanent, temporary and contingent workforce), and to all forms of AI. Further guidance can be found on [Alfie's Artificial Intelligence page](#).

## 4. Policy content

The Audit Office has developed a responsible use of AI statement to guide the assessment of new AI technology in the Audit Office environment.

### 4.1 Responsible use of AI statement

Responsible use of AI is making decisions about using AI that consider the Audit Office context, societal value, risk, trust, transparency, fairness, bias mitigation, explainability, accountability, safety, privacy and regulatory compliance.

Our key AI principles and approval process enable the responsible use of AI at the Audit Office and should be used in combination with other Audit Office policies. These four key principles will be considered when assessing AI technology:

**Principle 1: Privacy and security** – AI must have privacy and security aligned to Australian laws and Audit Office policies.

**Principle 2: Transparency** – there must be a review mechanism to provide high levels of assurance that the Audit Office understands how AI is being used.

**Principle 3: Accountability** – the Audit Office and its employees retain accountability.

**Principle 4: Fairness** – Safeguards exist to manage data bias or data quality risks.

## 4.2 Existing and approved technology

Technology that is approved for use at the Audit Office typically has the following characteristics:

- It has been formally procured and has an executed and current contract.
- It has been thoroughly risk assessed via the Third-Party Security Policy.
- Access is controlled by single sign on using an Audit Office account.
- Software is installed by the IT Team where applicable e.g. not applicable to cloud software.

## 4.3 Approval process for AI technology

The Strategic Technology Committee (STC) have responsibility for reviewing, providing input into business cases, and endorsing the use of new technology systems/procurements, while the Office Executive has responsibility for final approval. The STC review submissions against criteria including:

- clearly defined business requirement
- alignment to the Audit Office responsible use of AI statement
- compliance with Audit Office policies
- assurance against the [NSW Artificial Intelligence Assurance Framework](#).

Further guidance can be found on [Alfie's Artificial Intelligence page](#).

## 4.4 Innovating with AI technology

While always looking for opportunities to embrace innovation, it is equally important that we ensure the highest standards of data security and compliance to protect our auditees, the Audit Office, and ourselves. It is also important that we ensure our audit work is always conducted objectively, guided by audit evidence, is without bias and is independent.

Employees who have a use case involving a particular AI technology that uses official Audit Office information or that requires procurement, should first explore the idea via a conversation with our [Innovation Lead](#).

Employees who are unsure about the appropriateness of a specific use case for AI should contact [cio@audit.nsw.gov.au](mailto:cio@audit.nsw.gov.au) for further guidance.

## 5. Other relevant policies and procedures

This policy should be read in conjunction with the following policies and procedures:

[ICT Acceptable Use Policy](#)

[Information Classification and Labelling Policy](#)

[Information Security Policy](#)

[Third Party Security Policy](#).

## 6. Roles and responsibilities

**Employees are responsible for:**

- ensuring responsible use of AI by complying with this policy

- ensuring any output produced by AI is critically evaluated, fact-checked, and proofed in accordance with this and other relevant Audit Office policies
- complying with other relevant Audit Office technology policies and guidelines as stated in section 5 of this policy.

**Managers are responsible for:**

- communicating this policy to employees
- ensuring employees are following Audit Office policies and guidelines
- ensuring employees are appropriately trained in the systems or technologies available them.

**The STC represent an AI review body and are responsible for:**

- reviewing this AI policy and other guidance material
- providing strategic advice to the OE on the use of AI at the Audit Office
- reviewing proposals for AI that are presented to the STC for endorsement.

## 7. Contact point

Guidance should be sought from the Chief Information Officer (cio@audit.nsw.gov.au) where there is uncertainty on how to comply with obligations under this policy.

## 8. Review

It is intended that this policy will be reviewed annually or earlier if significant new information, legislative or organisational change warrants an update to the policy.