



## CC4DR Mission 3: AI Governance Maturity Survey Results

### Background

With the rapid emergence of AI tools in recent years, there is an eagerness by organizations to tap into the promised potential of AI to innovate operations. At the same time, recognition of the risks and harms that may result from AI use, particularly unregulated use, illuminated the need for and importance of responsible governance supporting its adoption.

To better understand the current state of governance and use of Artificial Intelligence (AI) within local government, CC4DR representatives from the cities of Toronto and New York conducted an online survey between May and June 2024. The survey is in support of CC4DR's **Mission 3**, to **promote the use of digital technologies, data, and AI for good**, and seeks to develop a general understanding of member municipalities' maturity as it pertains to AI governance.

Survey questions focused on data governance initiatives, current or proposed use of AI, as well as perspectives on and integration of data ethics and digital rights. This article highlights some of the key findings of the survey.

### Survey Recipients and Respondents

The survey was sent to CC4DR's member cities and circulated amongst colleague organizations. A total of 29 City representatives responded, 13 of which completed the survey to the end. Respondents represented cities from North America, South America, Europe and Asia, reflecting diverse social, political and cultural environments. Respondents also represented cities from different jurisdictions and sizes while the roles and responsibilities of the representatives also differed. The survey has also been predominantly circulated within a network of cities that are already aware of, and likely involved in, ethical and digital human rights initiatives.

### How are municipalities using or considering AI?

There is growing interest in utilizing Artificial Intelligence within the public sector, as reflected in survey responses. Over half of respondents indicated that their cities are currently using AI (52%, n=25), while 32% indicated they have plans on using AI (see Figure 1). Respondents were asked to explain what they used AI for. Answers ranged from 'studying citizen engagements', 'chatbots', 'traffic management' to 'predict service needs [...] like for public swimming pools', to 'enhancing tourism', and 'cybersecurity'. The use of AI significantly increased when asked specifically if organizations used generative AI, with 76% responding 'yes'. Use cases ranged from carrying out general functions (e.g., asking questions, generating texts, synthesizing information), to more technical tasks like fine tuning and model training, as well as decision making.

Respondents were asked to rank their organizations motivations for using or plans to use AI on a scale (1-5 low/high n=17) (See Figure 2). 88% of respondents ranked "Improving service delivery and/or quality of life of residents" as the highest motivating factor for their organization's use of, or plans to use, AI.



Subsequently, respondents were asked to rank on a scale (1-7 low/high n=17) what their organizations were prioritizing to operationalize AI. Close to half (47%) of respondents indicated they were prioritizing the piloting of use cases or proof of concepts (see Figure 3). However, only 12% indicated they were prioritizing the development of an AI policy; only 12% selected 7 on a 7-point scale. 76% of respondents indicated they have no policy in place for their use of AI and 77% said the same about generative AI (n=17/n=13, respectively).

Figure 1 – Use of Artificial Intelligence



Figure 2 – Motivations to use Artificial Intelligence

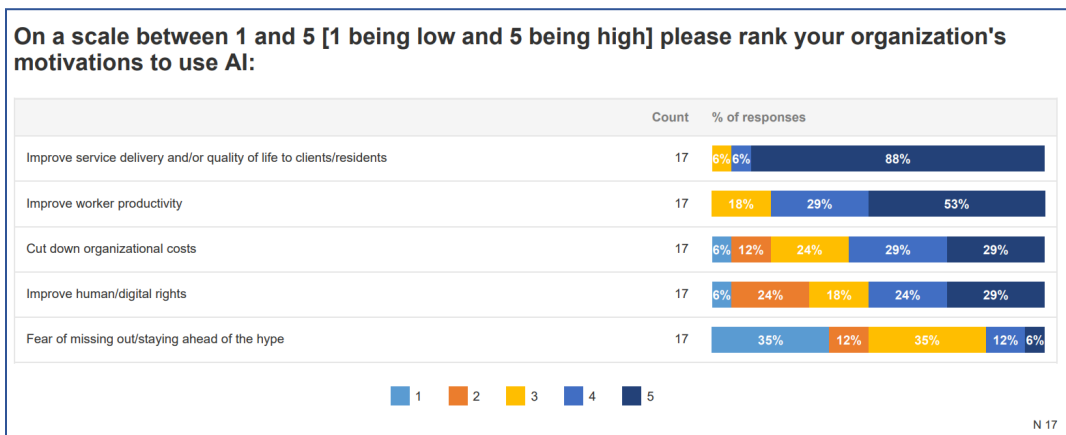
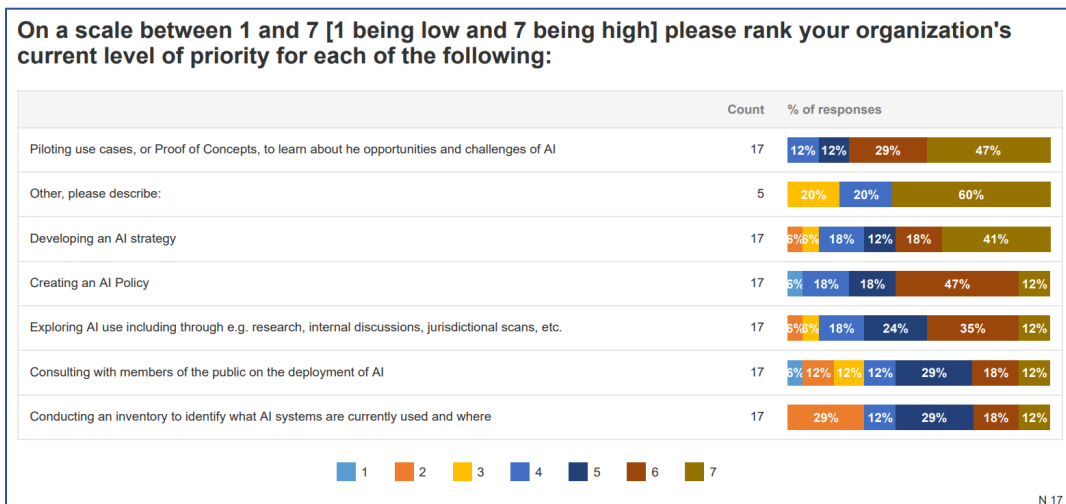


Figure 3 – AI Priorities





## AI governance in development and the role of local government

While there are several AI governance frameworks developed internationally (e.g., by governments, non-profits, NGOs, etc.), many municipalities surveyed are still at the preliminary stages of developing their own. This is despite the majority of surveyed municipalities reporting they are actively deploying AI systems.

While specific policy helps provide staff with guidance and is particularly important insofar as AI systems may carry various levels of risk of harm depending on their specific use cases, cities indicated varying governance prioritization and practices. 41% of respondents indicated their organizations were prioritizing the development of an AI strategy with 80% of respondents (n=15) indicating that they are planning to create specific AI policies.

## Ethical use remains priority

A majority of respondents (88%, n=16) believe that the integration of data ethics in the life cycle of AI systems are either 'very important' or 'absolutely important'. While data ethics is a priority, just under a third of respondents (31%) have a review process in place to provide oversight over data ethics. Despite this, survey findings reveal that organizations are eager to keep abreast with discussions around AI and data ethics by being engaged through knowledge-sharing initiatives that focus on 'AI for public good' (56%). Respondents also described what they believed were key skills and competencies cities need among staff to support responsible AI governance frameworks including: 'legal, ethical and regulatory awareness', 'digital rights and privacy [literacy]', '[awareness of] ethical principles and values', 'knowledge of ethics and compliance'. Such skills and competencies can align local government policies with many proposed/existing AI governance frameworks which integrate ethics and digital human rights principles.

## Key role of local government in AI governance

A majority of respondents believe that it is either 'important' or 'very important' for local governments to play a role in the regulation of AI (82%, n=16). Respondents also identified best practices or guidelines that their organizations are using to help inform the development of their governance frameworks with the US (n=3) and Europe (n=4) making up total responses. Some responses included the EU AI Act, NIST Risk Management Framework, Executive Order on AI, GovAI Coalition, CC4DR, and the OECD AI Principles (n=7). These answers appear to be influenced by the policy developments of their respective jurisdictions. For instance, all cities based in Europe named the EU AI Act while cities in the US named Federal and State- level policies or guidelines (e.g., the Executive Order, NIST, California Executive Order on AI).

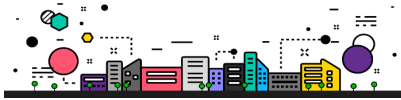
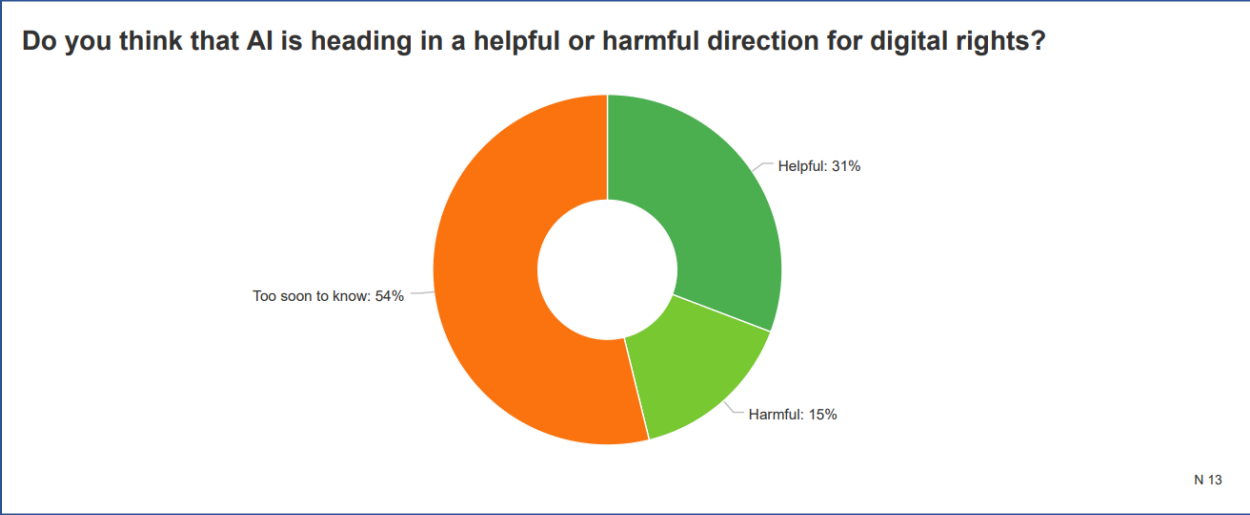


Figure 4 – Thoughts on the Direction AI is Heading



### What’s next

When asked whether AI is heading towards a harmful or helpful direction for digital rights, most respondents selected ‘too soon to know’ (54%, n=13) while just under a third sided with ‘helpful’ (31%) (see Figure 4). While this survey and its responses are not meant to be generalizable, it provides some insight on perspectives of City governments concerning the use and governance of AI.

As consideration and utilization of AI continues to expand, cities and local governments will need effective governance mechanisms to address the potential risks of harm that such technologies may pose to residents and communities. This survey reveals that while this may be top of mind for respondents, development and adoption of governance has not caught up, or may not receive the same level of priority as use case deployment. To this end, CC4DR remains critical in promoting and supporting ethical municipal AI use including through due consideration of data ethics and digital rights and these are integrated in cities’ AI governance frameworks and policies internationally.