
SECTION 16

PLANNING AND MANAGEMENT OF INFORMATION TECHNOLOGY

16.05 USE OF ARTIFICIAL INTELLIGENCE

AUTHORITY: *FINANCIAL ADMINISTRATION ACT*

ADMINISTRATION: TREASURY BOARD SECRETARIAT
IT SHARED SERVICES

EFFECTIVE DATE: NOVEMBER 2025

16.05 USE OF ARTIFICIAL INTELLIGENCE

(1) PURPOSE

The purpose of this policy is to provide directions on the use of Artificial Intelligence within Government.

(2) APPLICATION

The application of this policy is referenced to the schedules of the *Financial Administration Act* (FAA) and applies as follows:

- Schedule “A” - Departments except the Legislative Assembly
- Schedule “B” - Crown corporations
- Schedule “C” - Education Authorities
- Schedule “D” - Commissions

except to the extent that their enabling legislation may incorporate alternate requirements such as Ministerial or Board Authority. In the event that a policy developed by Ministerial or Board Authorities differs from Treasury Board policy and that entity is accessing Government IT services, Treasury Board Policy will prevail.

While this policy **does not apply** to the Legislative Assembly or to Reporting Entities subject to alternate legislation, **the spirit and intent** of the policy should serve as a **guideline** for these entities in developing their own policies. Reporting Entities that develop policies differing from Treasury Board require approval of Treasury Board.

(3) DEFINITIONS

For the purpose of this policy and its implementation, the following definitions will apply:

- (a) **“AI Literacy”** is the knowledge needed by government officials and citizens to effectively engage with AI technologies, including understanding their principles, capabilities, limitations, and ethical implications for informed decision-making.
- (b) **“Algorithm”** refers to a defined set of rules or instructions usually followed by a computer to perform a specific task or solve a problem.
- (c) **“Artificial Intelligence (AI)”** refers to a set of digital technologies that enable systems to perform cognitive functions such as learning, problem-solving, and decision-making. AI may be used to augment or automate processes.
- (d) **“Automated Decision”** refers to the use of computer programs or systems to make decisions without a person being directly involved at the time of the decision making. These systems follow set rules or use data to decide what to do.
- (e) **“Department(s)”** means departments, Crown corporations, agencies, boards, authorities, commissions and other organizations using Government IT services.

- (f) **“Ethical Use”** refers to the responsible deployment of AI technologies that prioritize fairness, transparency, accountability, and respect for human rights, ensuring systems operate without bias and protect citizens’ privacy.
- (g) **“Generative AI”** refers to a subset of AI technologies designed to produce new content such as text, images, simulations, audio or code based on patterns learned from data.
- (h) **“Retrieval Approach”** is the process of quickly and efficiently accessing the right data to help the AI to perform tasks, ensuring it uses relevant and accurate information.

(4) POLICY

- (a) AI can transform government services, improving efficiency and cost-effectiveness. However, its use must align with democratic principles and fundamental rights. AI use within the Government will be governed by the seven key principles of a Fair AI Governance Framework that ensures ethical use of data-driven technologies:
 - (i) *Transparent and Explainable:*
AI, automated decisions, and machine learning must be utilized transparently, with clear disclosures to promote understanding and accountability. When automation informs decisions, meaningful explanations must be provided detailing the decision-making process, rationale, and impact.
 - (ii) *Good and Fair:*
Data-driven technologies must be developed and deployed in line with legal, ethical, and democratic standards, safeguarding privacy, fairness, and human rights at every stage.
 - (iii) *Safe:*
AI systems must be designed with built-in safeguards to ensure safe, secure, and reliable operation throughout their lifecycle. Continuous risk assessment, system testing, and contingency plans for halting operations are essential, with measures tailored to the system’s context and refined over time.
 - (iv) *Accountable and Responsible:*
Departments deploying AI must ensure accountability and clear human oversight throughout the system’s lifecycle. A culture of shared ethical responsibility is essential, with accessible redress of processes for AI decisions and regular audits to prevent bias.
 - (v) *Human Centric:*
AI systems must prioritize public benefit and stakeholder needs, ensuring meaningful engagement throughout their lifecycle. A human-centered design approach is essential to guide development and improve operations.

- (vi) *Sensible and Appropriate:*
Data-enhanced systems must be designed with consideration of their sector-specific and broader societal impacts, including potential social and discriminatory effects.
 - (vii) *Collaborative:*
To ensure effectiveness of AI initiatives it is required to have a culture of inclusive decision-making, leveraging diverse expertise and advancements in other Canadian jurisdictions to deliver quality solutions with holistic impact.
- (b) AI Use Requirements:
- (i) AI use requests must be submitted to Information Technology Shared Services (ITSS) for guidance, assessment and approval.
 - (ii) Deputy Head or Minister is required to authorize the submission of any AI use case to ITSS.
 - (iii) Each AI use case must have a role designated as a business owner and alternative business owner who can describe the use, evaluation, and audit of the AI use, ensuring accountability and oversight.
 - (iv) A Department shall consult with Legal Services, Risk Management and Insurance, Records and Information Management, ITSS Security, and the Access and Privacy Services Office to ensure there are no barriers, including legislative, for any process using AI, Automated Decision Making or Generative AI within the specific workflow or scenario.
 - (v) Each Department who submits the AI use case is responsible to ensure the use of AI, and its associated logs/impacts, are maintained under the applicable records retention schedule.

(5) PROCEDURE

- (a) A Department identifies the business need for which AI may be an appropriate technology use case.
- (b) A Department shall follow the detailed use case submission requirements and procedure explained in the Artificial Intelligence Standard for Government maintained by ITSS.

(6) RESPONSIBILITIES**Departments**

- (a) Ensure any legal and policy requirements are addressed by consulting with Legal Services, Risk Management and Insurance, Records and Information Management, ITSS Security, and the Access and Privacy Services Office as it relates to AI.
- (b) Use the AI solutions for their use cases in accordance with the outcome of the approval process.
- (c) Cover any costs related to implementing an AI solution.

Department of Finance, ITSS

- (d) Consult and assist Departments with the approval process(es) and implementation of AI services or solutions; and
- (e) Approve, support, and maintain enterprise standards for AI in accordance with Sections 16.01 and 16.02 of the Treasury Board Policy and Procedures Manual.

(7) INTERPRETATION

In cases where an interpretation is required, such should be referred to the Secretary to Treasury Board, or their delegated officer, who will make the interpretation or refer the matter to Treasury Board, if a Treasury Board decision is deemed necessary.