



City of Scottsdale

AI Governance Council

Charter

1. Contents

AI GOVERNANCE COUNCIL MISSION3

AI GOVERNANCE COUNCIL OBJECTIVES4

 AI GOVERNANCE.....4

 GUIDING PRINCIPLES.....5

 STRUCTURE AND ROLES.....6

 AUTHORITY AND DECISION RIGHTS8

 PROCESSES9

 COMMUNICATION.....10

 CULTURE.....10

AI GOVERNANCE SUCCESS CRITERIA11

SUPPORTING DOCUMENTS11

AI GOVERNANCE COUNCIL CHARTER SIGNATURES ERROR! BOOKMARK NOT DEFINED.

Document Change Log

Version	Date	Name	Title	Change Details
V1.0	7/17/2024	Bianca Lochner	CIO	New Document
V2.0	4/1/2026	Bianca Lochner	CIO	Yearly Review

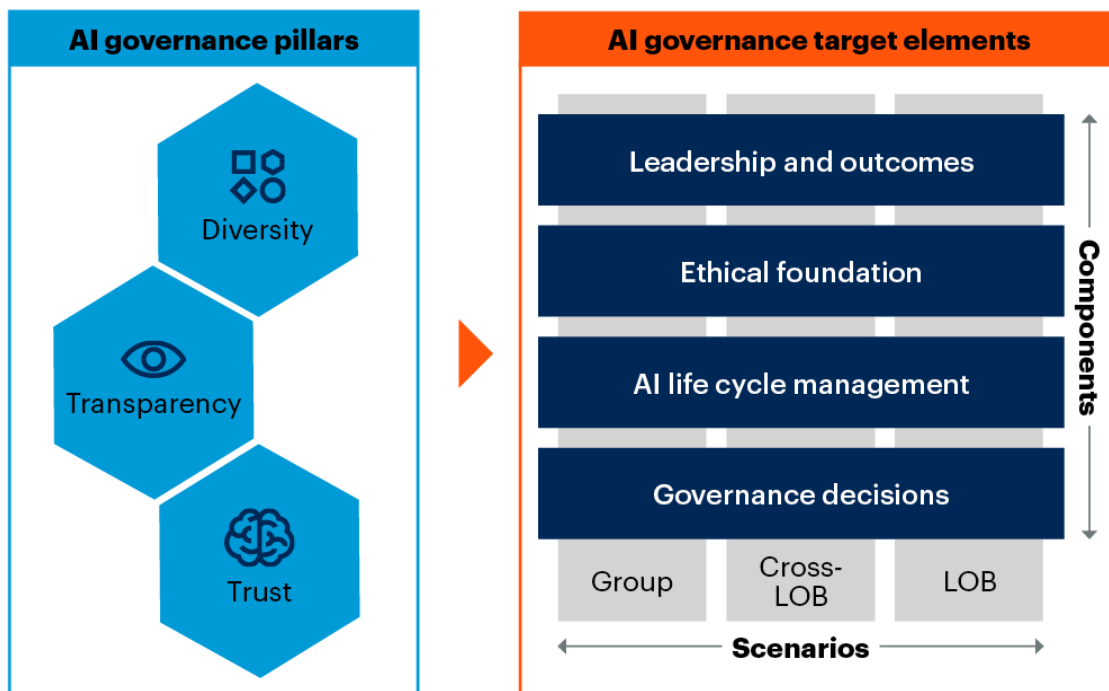
AI Governance Council Mission

To execute the strategic direction set by [AR130 Generative Artificial Intelligence](#) and act as an ultimate approval body. The AI Governance Council will set responsible AI principles, assess and document risk, advance AI literacy, and audit AI implementation within the organization.

The AI Governance Council ensures that all AI systems are subject to defined governance processes and approvals prior to use within City operations.

AI Governance Council Operating Framework

AI Governance Operating Model



Source: Gartner
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Scottsdale's AI Governance Council will adhere to an expanded version of the standard six-pillar governance framework ensuring a comprehensive and responsible governance structure, adherence to related administrative regulations, and supporting the city values of dedicated service, thoughtful innovation, collaborative teamwork, diversity, accountable integrity, and continuous learning.

All AI systems must be governed in accordance with the City's AI governance lifecycle, including defined processes for intake, risk assessment, approval, and monitoring.

AI Governance Council Objectives

Scope

Creation of an AI Governance Council offers dedicated support for exploring and implementing cutting-edge AI solutions. Scottsdale is also investing in education and training initiatives to ensure that all city staff members can effectively engage with AI tools and contribute to AI projects.

The city's AI Governance program regulates the risk, strategy, structure, discovery, operation, and monitoring of AI whether initiated manually, created internally, or as a byproduct of software platforms. Supporting and developing a culture of AI will revolutionize city operations and citizen support and prepare the city to thrive in an increasingly digital, data-driven future.

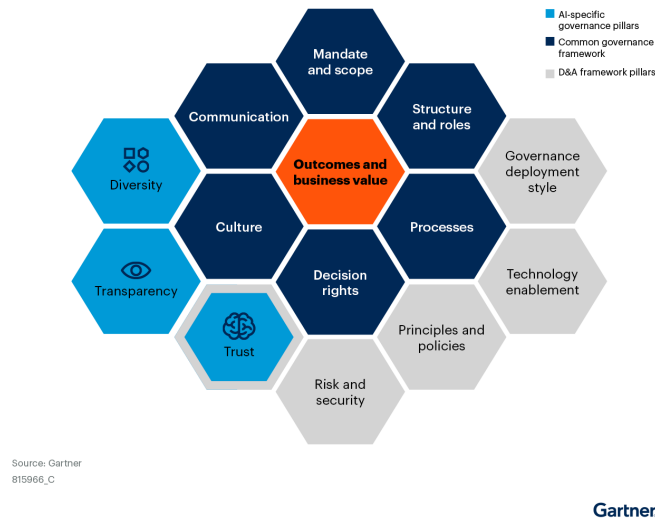
The AI Governance Council will be comprised of a diverse group of city staff, as it is essential to consider additional roles such as business leaders, AI experts, and representatives from relevant departments to ensure a comprehensive and effective governance structure.

AI Governance

AI governance defines decision rights and accountability to ensure AI is appropriately valuated, created, consumed, and controlled. AI governance establishes the framework of policies, processes, and controls designed to affect ethical, responsible, and strategically aligned AI usage and creation objectives. The AI Governance Council is responsible for guiding city utilization of AI by establishing a structural approach to managing risks and opportunities while maximizing benefits.

AI governance processes defined by the city must be followed for all AI use cases to ensure appropriate evaluation, control, and oversight.

Extending D&A Governance to AI-Specific Pillars



Comprehensive AI governance will be predicated upon an expanded six-pillar framework model that extends to city data and analytics pillars of trust and principles and AI specific governance pillars necessary for AI governance.

1. The common governance six-pillar framework shall serve as the foundational framework for AI governance and is defined within this charter under the headings of scope, structure and roles, processes, decision rights, culture, and communication.
2. The data governance framework pillars of trust, principles and policies, technology enablement, governance style, and risk and security will be extended to AI governance and are described in the [City of Scottsdale Data Governance Charter](#).
3. Additional AI specific pillars necessary for AI governance: trust, transparency and diversity are addressed in the charter's Guiding Principles. Trust in AI overlaps with data governance but goes further to trust in people's actions and AI techniques, as trustworthy AI positively affects AI adoption.

Guiding Principles

The city recognizes AI as a critical driver of efficiency, innovation, and informed decision-making and will seek to actively foster an AI culture. Scottsdale will follow and apply the following guiding principles in

1. **Transparency.** The AI Governance Council will endeavor to maintain transparency about the development, deployment, and usage of AI within the city.
2. **Trust.** The AI Governance Council will ensure AI used in the city is demonstrated to be valid, safe, secure, and resilient.
3. **Accountability.** The AI Governance Council will establish and adhere to clear lines of responsibility and accountability for decisions made/informed by AI or about the usage of AI.
4. **Ethics and Compliance.** AI will be used responsibly and ethically while protecting the privacy and safety of citizens and staff in a way that is consistent with the city's values. AI usage shall uphold and promote our ethical standards and comply with all relevant laws and regulations.
5. **Privacy and Security.** We will respect the privacy rights of all individuals and ensure the security of all data used in our AI initiatives.

6. Diversity, Fairness, and Non-Discrimination. Our AI initiatives should promote fairness and prevent discriminatory outcomes or practices.
7. Continuous Learning and Improvement. We commit to maintaining the currency of our AI knowledge and technology and continuously improving our practices.
8. Collaboration. We consider use of AI a skill to be learned; as such, employees of the Company should be willing to share and collaborate in developing this skill.

These principles shall be applied through the City's AI governance processes and must be demonstrated in the evaluation and approval of AI systems.

Structure and Roles

Roles & Responsibilities

The AI Governance Council shall be comprised of staff that provide diverse perspectives that ensure ethical, responsible, and successful AI implementation. The AI Governance Council shall maintain an executive sponsor, five council officers, and a diverse panel of members responsible for steering the direction of the program, prioritizing topics or projects, providing input on proposed solutions and work product of workgroups, and helping to ensure other voices and perspectives outside the council, program, and external stakeholders are at the table when needed. The AI Governance Council will also ensure the AI governance program is aligned with administration and operational priorities.

Council members and associated roles are responsible for ensuring that AI initiatives within their domains comply with established governance processes and requirements.

Responsibilities of staff assigned to key roles.

Executive Sponsor - Chief Information Officer

The role of the Chief Information Officer in the AI governance program is to provide executive buy-in and leadership and provide accountability to ensure agencies are meeting expectations.

Council Officers and Key Roles

Chief Data Officer (CDAO)

The CDO oversees data strategy, governance, and quality. AI is heavily reliant on data, and the CDO ensures data integrity, privacy, and compliance. They also bring a deep understanding of data architecture and infrastructure, essential for AI development and deployment.

Chief Risk Officer (CRO)

AI systems inherently involve risks, from operational to reputational. The CRO brings expertise in identifying, assessing, and mitigating risks. They ensure that AI projects align with the organization's risk appetite and that appropriate controls are in place.

Enterprise Architect

As the technical leader, the Enterprise Architect understands the organization's technology landscape and can assess the feasibility of AI projects. They can provide insights into the potential impact of AI on existing systems and infrastructure.

Chief Ethics Officer - Human Resources Director

AI raises complex ethical questions. The CEO ensures that AI development and deployment align with the organization's ethical principles. They can guide the council in making decisions that consider the societal impact of AI.

Legal Counsel

AI is subject to various laws and regulations, including data privacy, consumer protection, and intellectual property. Legal counsel provides expertise on compliance matters, risk mitigation, and potential legal implications of AI projects.

AI Governance Council Members

The AI Governance Council shall be composed of representatives from key functional areas necessary to ensure comprehensive, ethical, and effective oversight of artificial intelligence use across the City.

Membership shall include, at a minimum, representation from the following functional areas:

- Information Technology
- Data and Analytics
- Risk Management
- Legal
- Human Resources / Ethics
- Information Security
- Procurement
- Communications / Public Affairs
- At least one operational department that utilizes AI systems

Additional members or subject matter experts may be included as needed to support specific use cases, initiatives, or areas of review.

Council members should be appointed by their respective department leadership or designated executives and may be updated as necessary to reflect organizational or operational changes.

Council members are expected to:

Represent the interests, risks, and priorities of their functional area

Ensure alignment with AI governance requirements within their departments

Participate in governance review, evaluation, and decision-making processes

Communicate governance expectations, decisions, and updates to relevant stakeholders

A current roster of Council members will be maintained separately by the AI Governance Program.

A quorum shall include representation from technical, risk/control, and operational perspectives to ensure balanced and informed decision-making.

Residents

To ensure we provide value to our residents and meet their expectations, particularly when it comes to how their data are collected and used in terms of data privacy and equity, residents can and should be included in Workgroups as the topic or project allows.

Authority and Decision Rights

The AI Governance Council is authorized to make decisions on AI-related issues within the scope of this charter, including the initiation, continuation, or termination of AI projects and the disposition of AI technologies used by Scottsdale staff. Approval of a concept or system is not approval of the procurement itself and that any contract or purchase must still be in compliance with the procurement code.

The use, development, or procurement of AI systems is subject to prior review and approval through the City's AI governance processes.

The Council has the authority to suspend or terminate AI systems based on risk, non-compliance with governance requirements, or material adverse impact. AI systems that have not been reviewed and approved through established governance processes may be restricted or prohibited from use.

All formal oppositions to termination are – on the case-by-case basis – to be discussed in the closest AI Governance Council meeting if the council sees valid argument for re-approval.

The AI Governance Council is responsible for AI investigation and discovery and therefore must be diligent in continuously learning relevant AI usage and emerging technologies and tools in the industry. Additionally, AI Council officers have the authority to facilitate council participation into studies and investigations regarding all relevant AI-related topics.

AI Governance Council will be responsible for defining AI principles, AI policies, and standards, and audit their implementation. The council will review and approve AI strategy, ensure AI and AI adjacent technologies, such as machine learning (ML) are aligned with strategic objectives and initiatives. The council will also ensure AI value and value drivers are understood and ensure a risk management framework is in place and used to assess AI risk and build risk mitigation plans.

The council has the authority and responsibility to maintain awareness of AI implementation and its impact throughout the organization. The council is responsible for ensuring necessary checks and precautions are in place at each stage of AI design and use and setting standards and processes to remove bias from data sets and ML models.

The AI Governance Council will routinely review and assess compliance of proposed AI systems, vendors, or models with privacy and ethics regulations, external and internal guidelines, and policies. The council will establish and review metrics to evaluate the impact of AI initiatives.

Governance decisions may require specialized expertise to resolve critical impasses. For clarity, data engineering staff should not administer decisions that affect society, and thus, business partners should not be responsible for technological decisions.

The ultimate responsibility of the AI Governance Council is to assess risk, benefits, and feasibility to provide a finalized decision on if and how to move forward with requested AI projects and software usage. Determine decision rights and accountability for people and groups that are entitled to make business decisions for dimensions of AI governance. Dimensions of AI governance should be considered and asked of appropriate business partners as part of the AI governance process. To be considered:

- An organizational dimension to balance business value and corporate risk.
- A customer/citizen dimension to balance privacy and convenience of individuals.
- An employee dimension to balance trust and control.
- A societal dimension to balance public safety and freedoms, often expressed in regulatory compliance.

Dimensions of AI Governance



Source: Gartner
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Gartner

Technical decisions are also crucial for AI governance success, as these decisions will support the governance framework and be designed to mitigate risks, ensure accountability, and promote trust. The AI Governance Council must ensure members of the technical team are equipped with appropriate AI training and understand the importance of ethical and responsible development and deployment of AI systems and that business partners understand the value delivered by the technical team.

Processes

The AI Governance Council oversees defined governance processes for AI, including intake, review, risk assessment, approval, and monitoring. These processes are required for all AI systems.

- The AI Governance Council will meet at a minimum once per quarter.
- The council is responsible for development and communication of organization-wide AI standards including tracking, logging, bias mitigation, approved tools, and data management requirements supporting AI development.
- Emergency sessions of the council will be organized on Teams and require a quorum of four council officers, or their delegates and seventy-five percent of the remaining council members participate.
- The Business Intelligence Manager will serve as the chair of the AI Governance Council.

- Items of business that must be addressed in the meeting will be submitted 24 hours prior to the meeting to the AI Governance Council Microsoft Teams channel.
- The agenda and relevant information will be provided will be sent out by the Business Intelligence Manager prior to the meeting.
- Participants will be expected to understand the organization's AI strategy, responsible AI principles, and risk management framework and how risk is categorized and measured.
- Minutes will be captured by [Role of Individual] during the meeting and shall be stored on [name of location].
- Absent participants will be expected to read the meeting minutes and are bound by decisions made in the meeting, notwithstanding extenuating circumstances.
- The council may establish task forces or subcommittees to focus on particular risk assessments, governance processes, or technologies.
- A quorum of half of the members +1 must attend each meeting.
- The chair of the council will act as the deciding vote in the case of a tie.
- Council members may appoint a stand-in if they are unable to attend the meeting.

Communication

GenAI is a comparatively new body of technologies able to create net new content from amassed data sets referred to as large language models. While GenAI has powerful potential to create efficiencies for creative and repetitive work products, it also has the potential to be misused or create content that is incorrect, inconsistent, or that shows bias.

The AI Governance Council will be responsible for building and maintaining a regular channel of communication to all stakeholders that will include AI literacy roadmaps and literacy progress, the state of AI implementation throughout the city, opportunities to for AI upskilling, and a vehicle to collect and report on feedback from all stakeholders regarding the adoption, benefits, and usage of AI systems. Feedback will be collected and used to ensure stakeholders that their input is crucial to successful AI adoption.

Communication efforts will support awareness of governance requirements and ensure stakeholders understand their responsibilities in adhering to AI governance processes.

Culture

Scottsdale is committed to embracing the potential of AI to enhance public services and improve the lives of both residents and staff. The city recognizes that AI systems have the potential and power to revolutionize outcomes for both residents and staff, however, it is imperative that any AI systems are used responsibly and ethically.

The city will foster a culture that prioritizes ethical, fair, and transparent use and deployment of AI systems. Scottsdale will endeavor to champion and sustain an environment that encourages open dialogue and collaboration with all stakeholders to ensure that AI systems are used and deployed in accordance with our community's needs and values. AI systems will be used to establish a culture where AI is a valued tool meant to augment human capabilities, rather than replace them.

This culture includes adherence to governance processes and responsible use standards established by the City.

AI Governance Success Criteria

#	Success Criteria	Metric(s) / Measurement(s)	Owner(s)
1.	AI Governance has an established meeting schedule with processes and goals.	Meeting held at least 3 of 4 quarters.	Bianca Lochner/Kari Johnson
2.	Develop Ethical AI Guidelines	Create and communicate a set of ethical guidelines for AI development and use	AI Governance Council
3.	Engage with stakeholders.	Conduct regular consultations with stakeholders to gather feedback and ensure AI initiatives align with city values, needs, and expectations.	AI Governance Council, Data Team, PMO
4.	Foster a culture of AI Literacy.	Percentage of employees who have completed AI Awareness trainings.	CIO/CDO
5.	Track and measure AI value.	Establish KPIs to communicate and monitor impact of AI initiatives such as cost savings, efficiency gains, and improved decision-making.	AI systems users, data team, AI Governance Council

Supporting Documents

[Administrative Regulation 130 Generative Artificial Intelligence](#)

[Administrative Regulation 135 Digital Privacy](#)

[City of Scottsdale Data Governance Charter](#)

AI Governance Standards, Procedures, and Supporting Artifacts (including intake, risk assessment, and monitoring processes)