# Eu-LISA Industry Roundtable on AI

Findings from the focus investigation on the use of AI in the Dutch central government

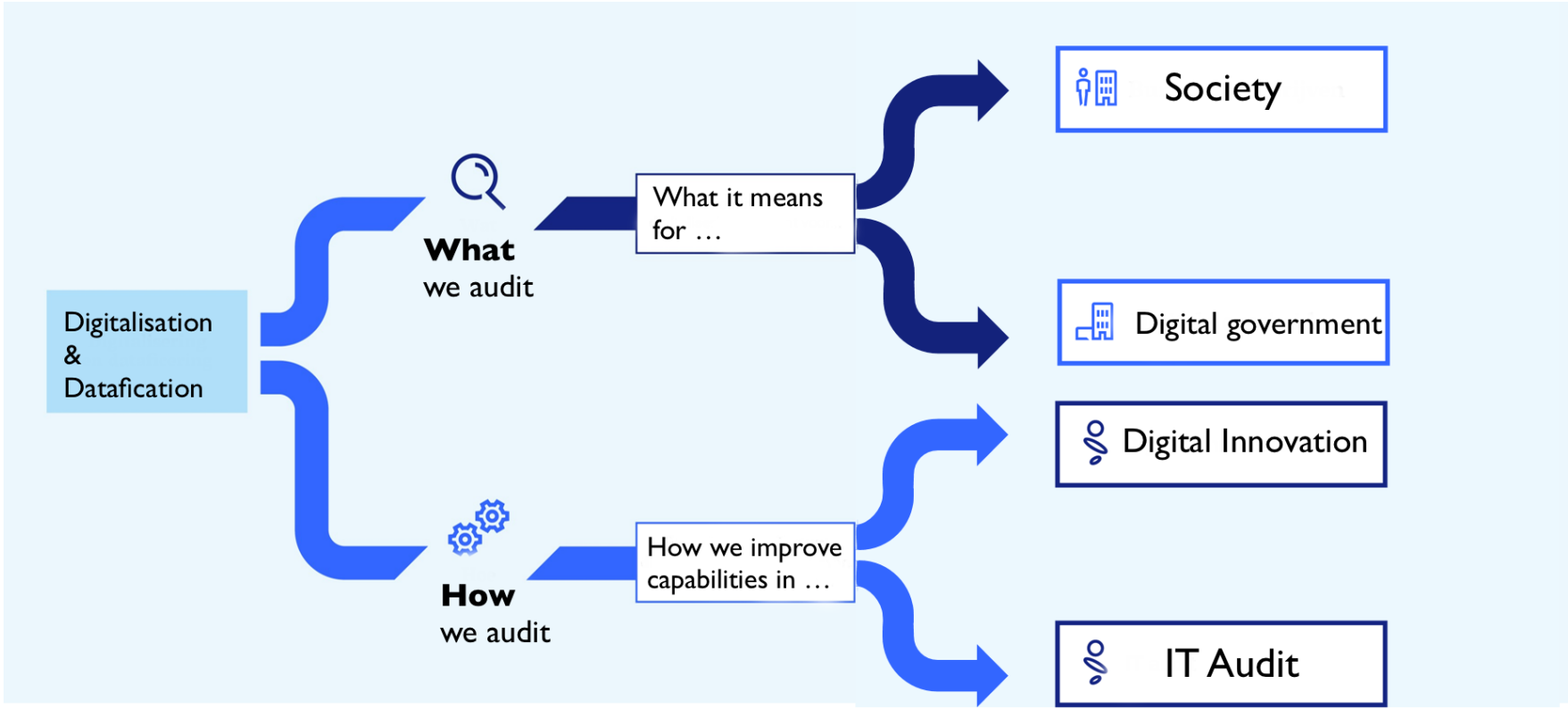
*12 November 2024, Budapest*

Algemene Rekenkamer

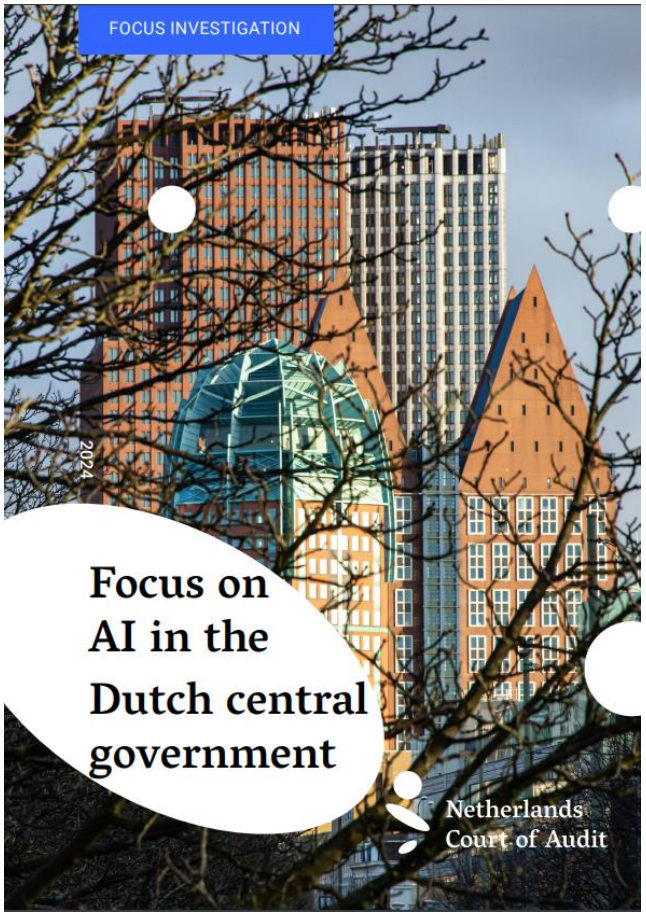
# NCA as a Supreme Audit Institution

- Supreme Audit Institutions are responsible for auditing government spending
- Oversee management of public funds
- In the Netherlands, the Dutch SAI:
  - **Independent** High Council of State
  - **Unique and special powers** to audit
  - **Regularity audits** on the Dutch annual reports
  - **Performance audits** to assess if policies have intended effects and central government working efficienctly.

# Digitalisation affects What & How We Audit



# Focus on AI

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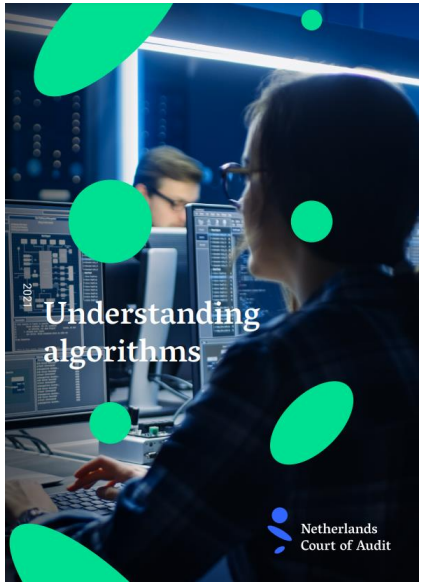
## Focus on AI in central government

Report | 16-10-2024

The Dutch government does not know if many of its artificial intelligence (AI) systems work as intended. Government organisations say they have not weighed up the opportunities of more than half their AI systems against the risks. A focus investigation by the Netherlands Court of Audit of 70 government organisations, furthermore, concludes that there is an incentive for the organisations to classify their systems as low risk.

# Rationale

- Strategic Action Plan for AI (2019):
  *“The government makes optimal use of AI in the performance of public tasks”*
- Responsible use of AI requires insight into how AI is used
- AI Act increases the need for having insight into use of AI
- Investigation follows on previous investigations on the use of algorithms

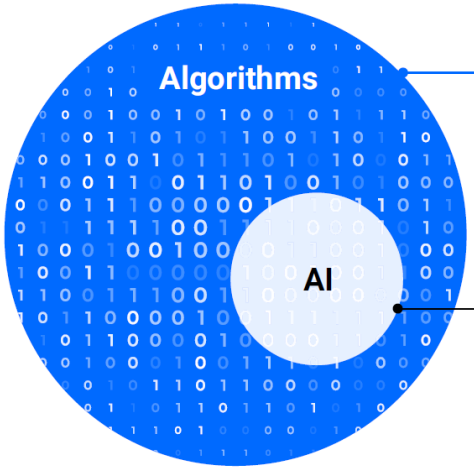



# How we approached AI in our study

**Definition of AI in the AI Act**

"'AI system' means a machine-based system that is designed to operate with varying levels of autonomy and that may exhibit adaptiveness after deployment, and that, for explicit or implicit objectives, infers, from the input it receives, how to generate outputs such as predictions, content, recommendations, or decisions that can influence physical or virtual environments."

AI is an algorithm but not all algorithms are AI




Instructions executed by a computer automatically

Instructions, inferred from data, executed automatically by a computer

# Research approach

- **Requested inventory** of AI systems from 70 organisations in the Dutch central government
- **In-depth interviews** with 11 organisations
- Study focuses on **organisational deployment of AI**
  - AI systems for military or national security purposes outside of scope
- Findings are based on **self-reported** information

# Use of AI in preliminary phase

## Most surveyed organisations use AI

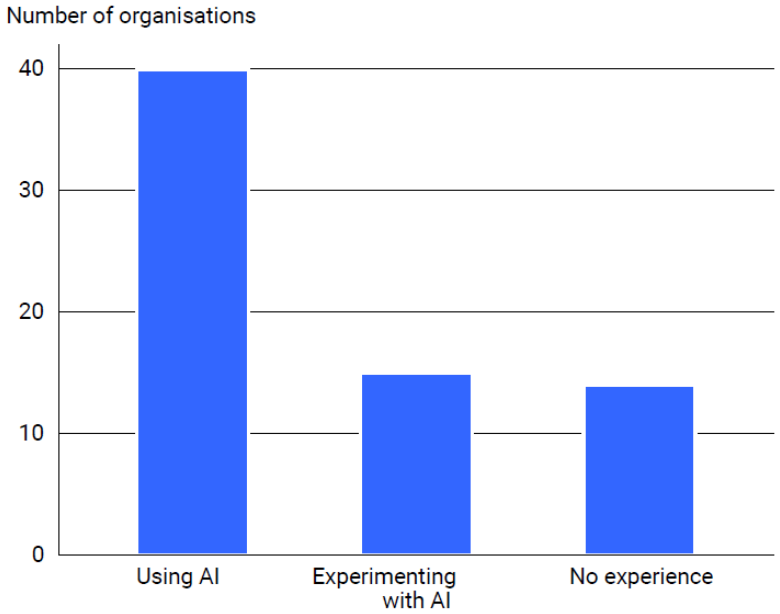
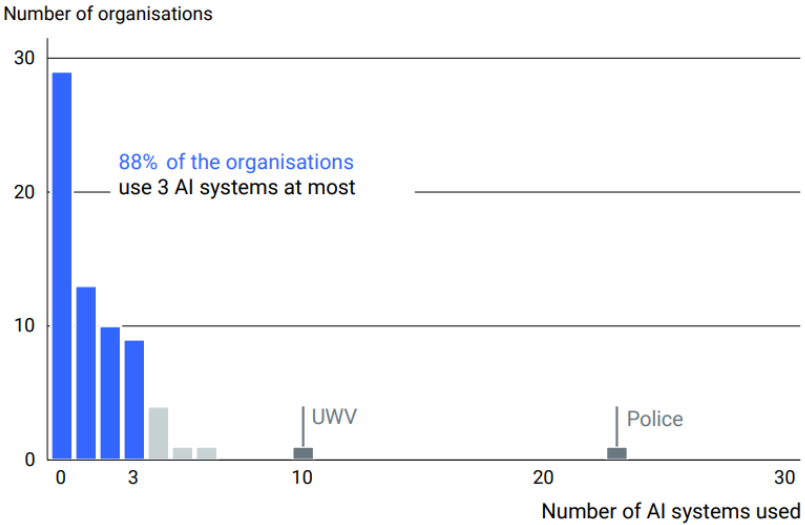



**Figure 6** *Number of AI systems in use by organisation*

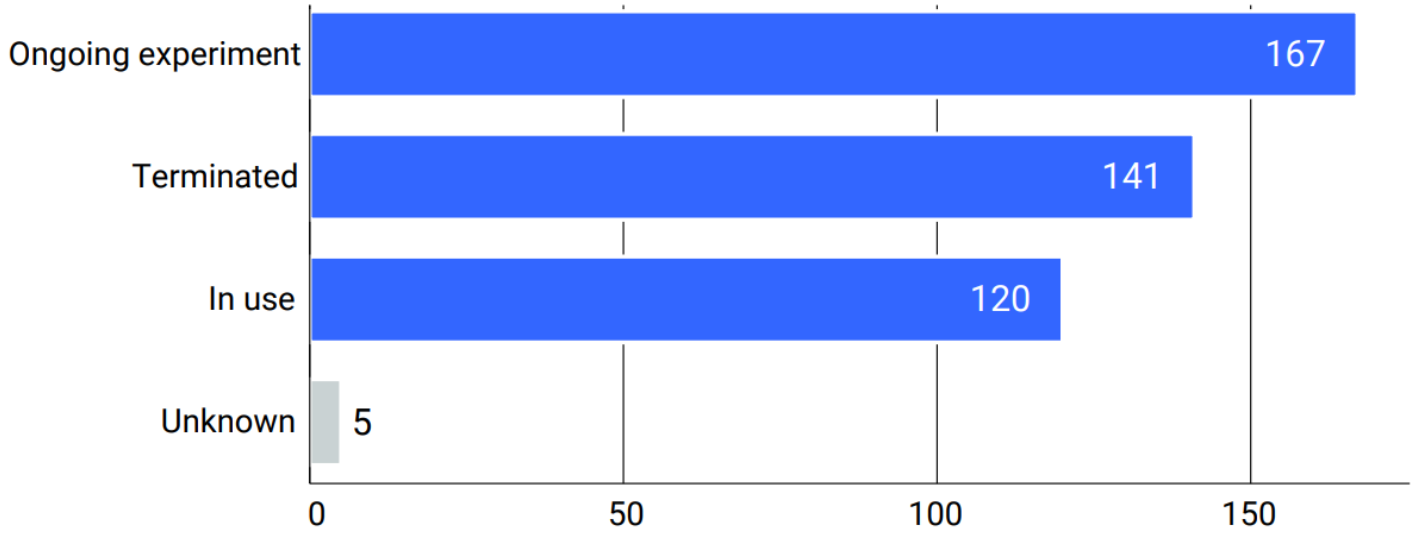
## Government organisations use few AI systems



# 433 AI-systems in the inventory

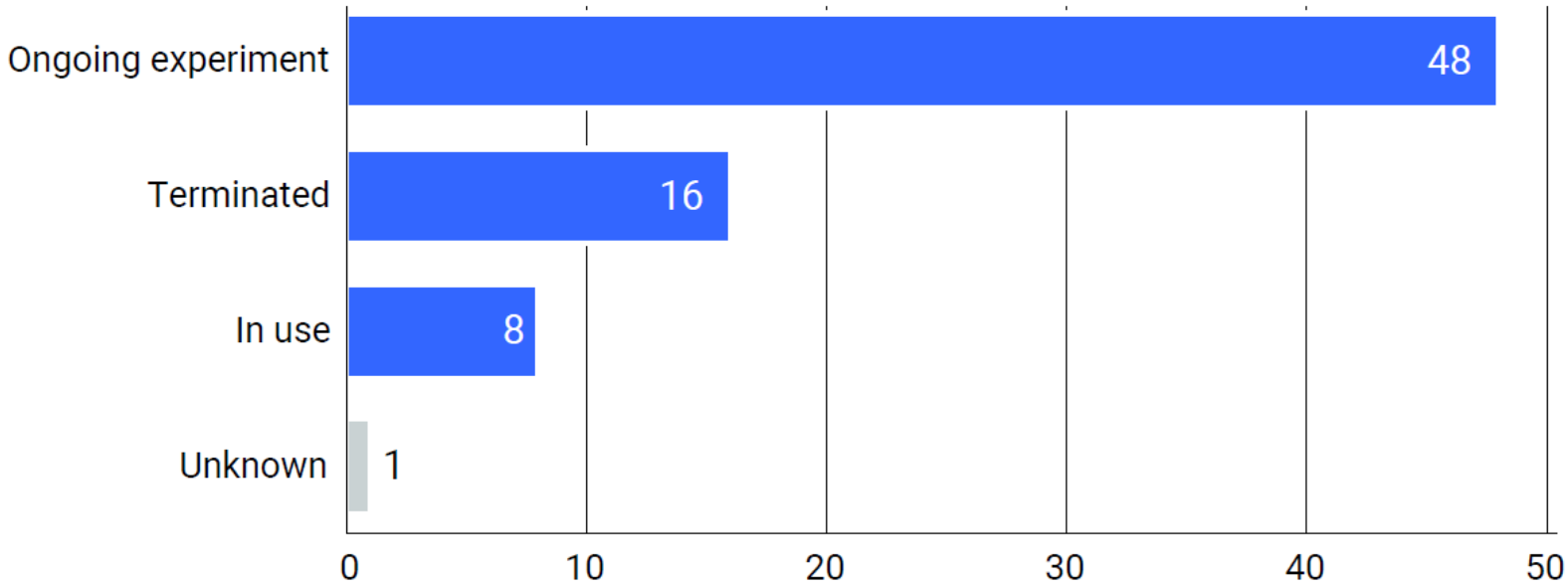
**Figure 4** *Status of AI systems*

## Most AI systems are ongoing experiments



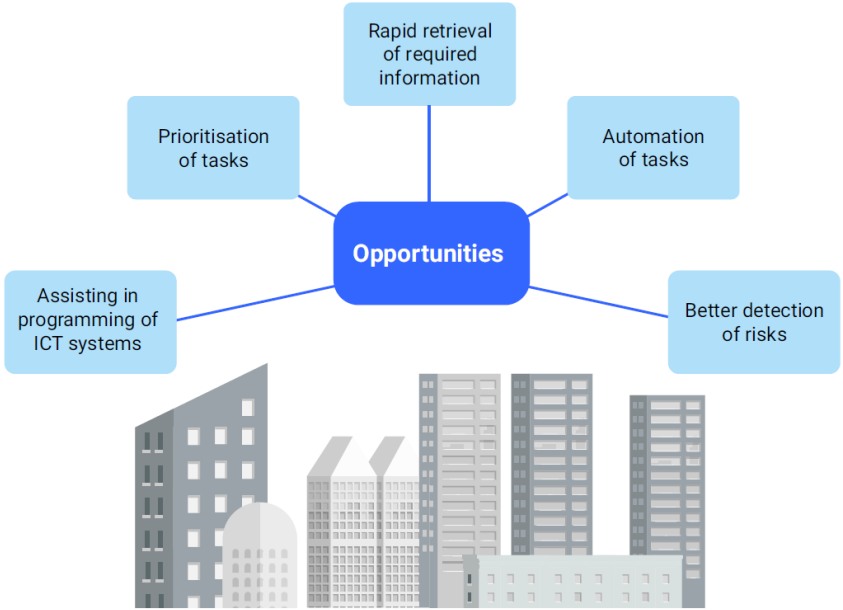
# Generative AI

## Most generative AI systems are experimental



# Opportunities of AI

**Government organisations expect AI to increase the efficiency and effectiveness of work processes**




*"At the moment, **AI is particularly opportune in the field of business processes**. For example, to categorise information for internal purposes, such as information management, summarising key information, routing workflows and contributing to learning and supporting staff."*

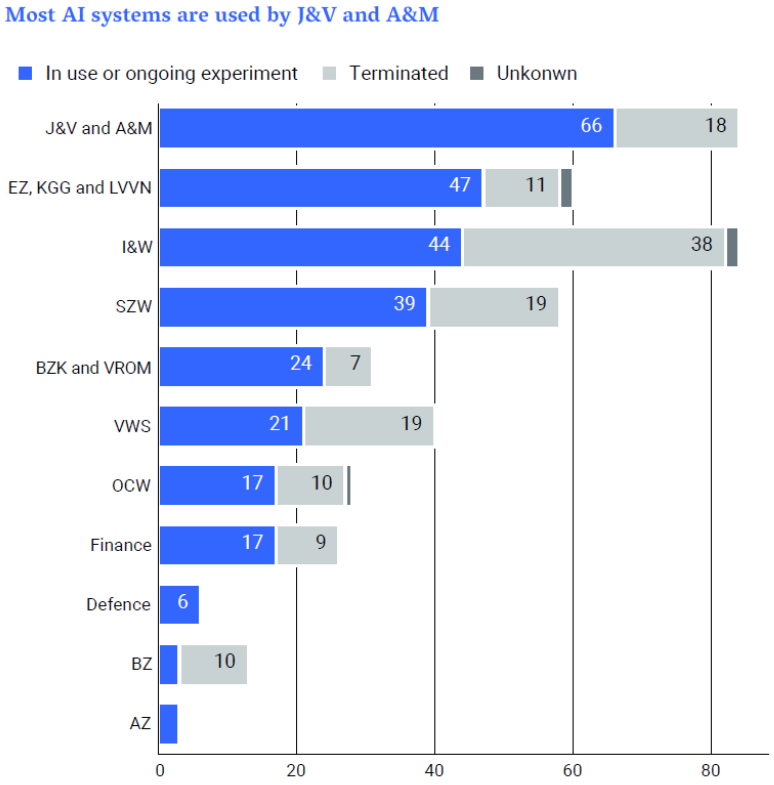
# What is AI used for?

- AI is primarily used for **purposes that do not directly impact citizens and businesses**
- Most often for knowledge processing
- AI with a direct impact on citizen most commonly in inspection and enforcement procedures

**Figure 8** *Examples of AI applications in government*

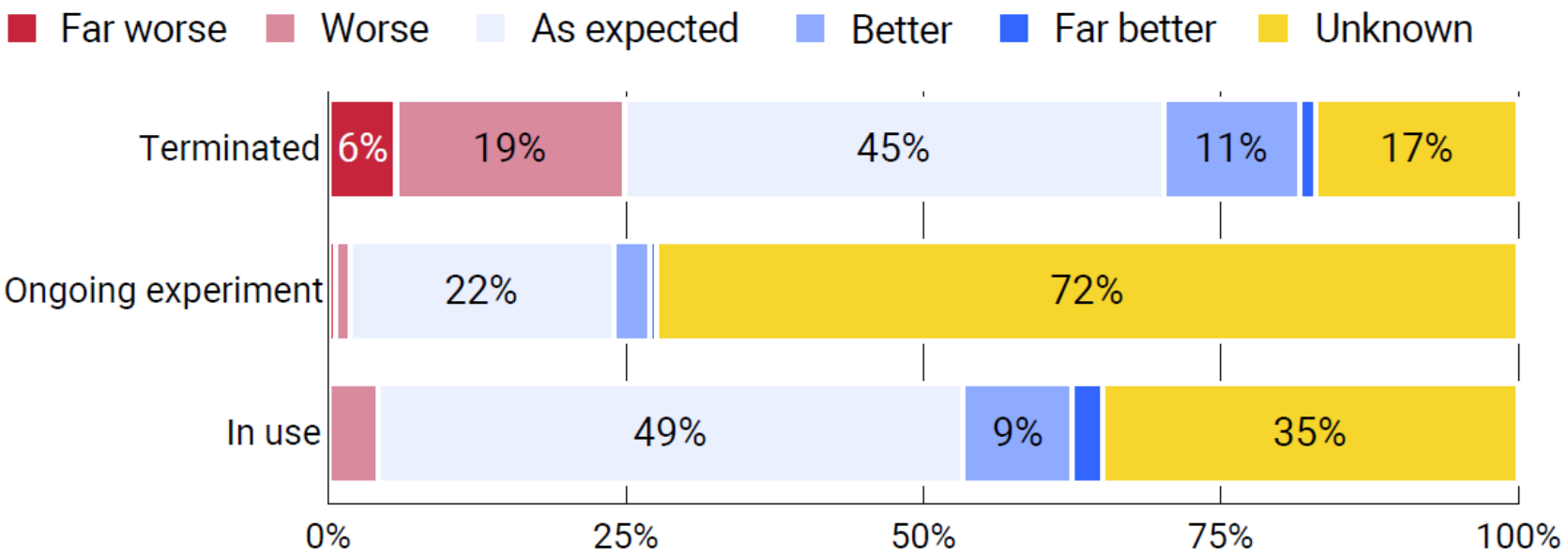
# Examples of AI in the JHA domain

- Many AI-systems included in JHA-domain:
  - AI system help report internet scams online
  - Experiment with a robot dog for cel inspections
  - AI system comparing fingerprints/handprints to establish a person identity
  - Transcribing and translating interviews in a migration-related context



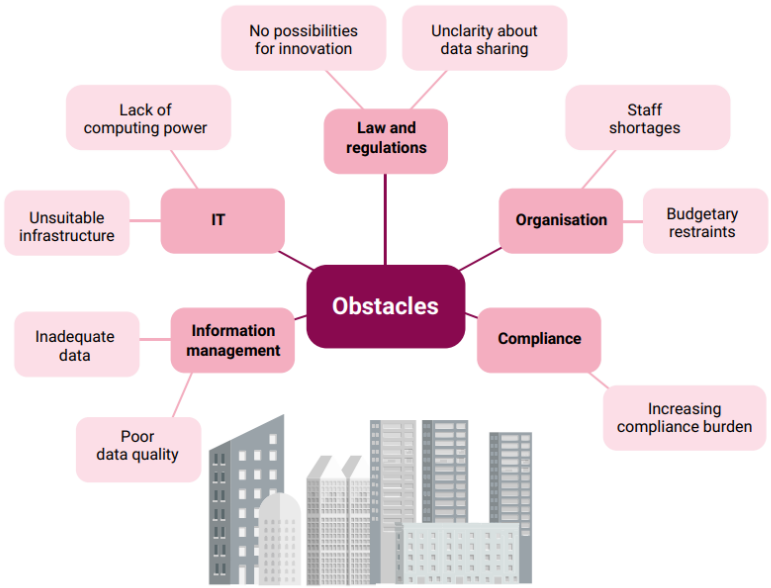
# Performance of AI still unclear

## Often unknown what AI systems in use actually achieve



# Barriers to the use of AI

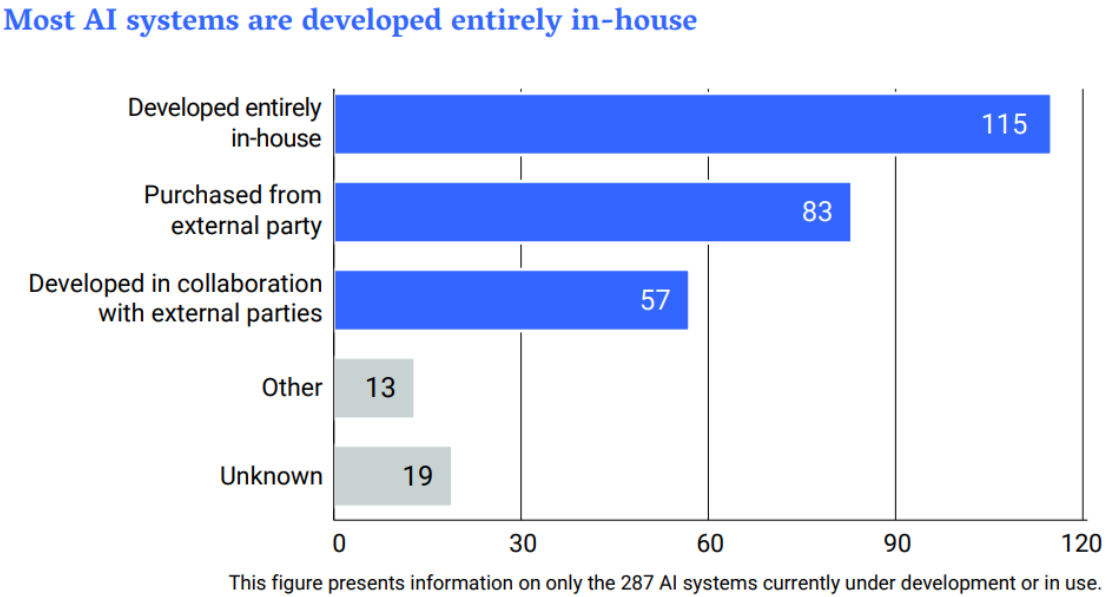
**Government organisations name various obstacles to the development and use of AI**



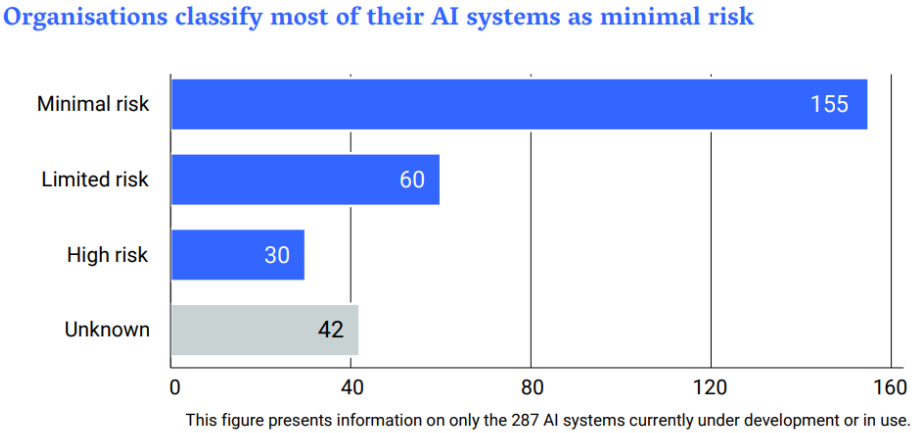

- Wide variety of obstacles mentioned that impede AI's development and use
- Many AI experiments have been terminated
- Necessary capacity to start/proceed with AI not always present

- *"AI systems can only be implemented if the IT platforms are up to the job. This is currently far from being the case"*

# AI systems developed by public administrations themselves



# Most systems indicated as minimal risk

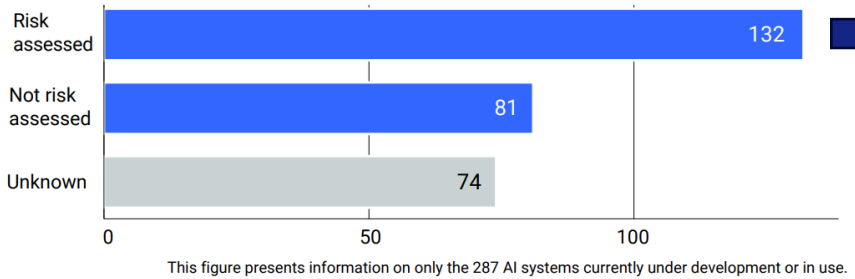



Still a work in progress:

*"We have classified relatively simple AI and AI that doesn't have an external impact as "minimal" and advanced image and text processing algorithms as "limited". **When we get round to the actual classification, we expect we'll have to reclassify some systems."***

# Risk assessments not always done

**Not all AI systems underwent a risk assessment**




This figure presents information on only the 287 AI systems currently under development or in use.

**Table 1** *Risk assessment instruments for AI systems*

| Type | Instruments used |
|---|---|
| Algorithms/AI frameworks | Netherlands Court of Audit Algorithm Assessment Framework<br>Algorithms Manual<br>Algorithms Implementation Framework<br>Fundamental Rights and Algorithms Impact Assessment (FRAIA)<br>EU AI Act Compliance Checker<br>AI Impact Assessment |
| Privacy frameworks | Data Protection Impact Assessment (DPIA)<br>Machine learning addendum to existing DPIA<br>Privacy check |
| Other frameworks | Ethical check<br>Ethical Impact Assessment (EIA)<br>Information security risk assessment<br>General Security Requirements relating to Defence Orders (ABDO)<br>Data Governance Act Impact Analysis (DGA)<br>Cloud assessment framework<br>Business case |
| Quickscans | Information security quickscan<br>Government Information Security Baseline (BIO) quickscan<br>DPIA quickscan<br>Pre-DPIA<br>Accelerated FRAIA<br>Algorithm checklist<br>AI risk scan<br>Assessment of main features |

# Concluding remarks

- **Use of AI in the Dutch central government is preliminary**
  - AI use mainly in applications that do not directly impact citizens or businesses
- **AI offers potential for government organisations**
  - Obstacles prevent them from maximising this potential
- **Most AI systems classified as minimal risk**
  - However, AI systems did not undergo a formal risk assessment
  - Might be an incentive to downplay the risk classifications

# Thank you for your attention!

**Stay connected!**
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