

## AI and Public Services

### **Sam Williams (Audit Wales)**

Welcome to the Exchange, a podcast produced by Audit Wales. My name is Sam Williams and I work for the Good Practice Exchange team.

Audit Wales is the audit body responsible for the financial and performance audit of the devolved Welsh public sector. This ranges from the Welsh Government to your community council and everything in between.

In February 2024, the Auditor General for Wales published *From Firefighting to Future Proofing, the Challenge for Welsh Public Services*. The report draws on the work of Audit Wales to reflect on the way our public bodies are governed and manage:

The importance of minimising losses through fraud and error, the complexity of the public service landscape, and challenges around workforce capacity, digital transformation, and planning for the long term.

It emphasizes, too, the need more than ever to ensure value for money in public spending.

Adrian Crompton, the Auditor General, spoke about these issues on this podcast in the episodes that were published before Christmas.

As we look towards digital transformation across public services, we wanted to have a particular focus on AI and the ways in which public services can implement robust governance frameworks.

The aim is to ensure that the use of AI is responsible, ethical, transparent, whilst building and maintaining public trust and confidence across public services.

Additionally, there is growing interest in understanding how leaders and boards within public services obtain assurance regarding these governance arrangements.

With technology moving at such pace, it's increasingly important for those in leadership to have clear oversight and assurance mechanisms in place.

AI and other digital innovations offer the potential for significant benefits, such as more efficient delivery of aspects of work. At the same time, their use must meet requirements on issues such as data protection and cybersecurity.

In this podcast, we will discuss some of these requirements as we join a conversation between Dave Teague and Pete Thomas.

Dave is Acting Head of Welsh Affairs at the ICO, the Information Commissioner's Office, and Pete is the Head of Artificial Intelligence, Cyber Resilience and Digital Capability at CDPS, the Centre for Digital Public Services.

Welcome both.

Starting with you, Dave.

Can you give us a brief introduction to yourself and the work of the ICO?

**Dave Teague (ICO)**

Thanks, Sam. Lovely to be here today. I'm Dave Teague. I'm the Acting Head of Welsh Affairs for the Information Commissioner's Office, or ICO.

We are the UK regulator for information rights, including data protection and freedom of information, among others. My team works a lot with Welsh public sector organisations on helping them get their data protection and privacy concerns and information rights work correct.

Thanks, Dave.

**Sam Williams (Audit Wales)**

Over to you, Pete, for your work and the work of CDPS.

**Pete Thomas (CDPS)**

Thanks, Sam. It's great to be here.

Yeah, my name is Peter Thomas and I have responsibility for artificial intelligence, cyber resilience and digital capability in the Centre for Digital Public Services.

And CDPS is all about creating better public services for Wales. We work with teams and organisations to transform services by designing and building things that meet the digital service standard for Wales, basically making sure services are fit for the future and fit for everybody to use.

**Sam Williams (Audit Wales)**

Okay, we're going to start the conversation today with where the relationship of AI and data protection came from.

Dave, over to you.

**Dave Teague (ICO)**

Thanks.

So for me, AI is very much an extension of the power, the increasing power of technology that happens over the years. For those of you familiar with Moore's law, which roughly says the power of computers will double every two years or so.

And I can remember my first job back in the early 90s, at the risk of dating myself, working for a local, working for Gwent County Council as a computer operator in a massive mainframe that was the size of a small factory dealing with those things.

And as technology had evolved, it meant that organisations could do a lot more with personal data. That's why in 1984, the first Data Protection Act came into being in the UK. And that was basically there to address the fact that computers could suddenly do so much more with our personal data.

As technology evolved, so has data protection. with the 1998 Act, and now we're currently in the UK. We've got three pieces of legislation which cover it, including the UK GDPR.

And last year, the Data Use of Access Act came into power in the UK.

**Sam Williams (Audit Wales)**

Okay, so the start of our questions then.

So what does effective AI governance look like in the context of Welsh public services?

**Pete Thomas (CDPS)**

So I'm going to dive into this one, Sam, and I think it's a really, really important question that it's important for all public service deliverers to consider.

So there's an enormous pressure being felt right across the board at present. And there's a, you know, AI is a buzzword. AI seems to be in every conversation.

There's a huge expectation that public services are being improved and using AI to deliver more, to deliver faster, to save money, save time and so on.

And the question about effective AI governance needs to address all of those things. It's all about making sure that we don't rush into decisions to buy something because it sounds like it's great, it's shiny tech, it's going to solve so many problems as per marketers spiel.

Actually, effective AI governance needs lots of thought, lots of input, and we have some and recommendations that we use in CDPS, things like involving members of the organisation, involving risk and audit committee members, perhaps, or involving looking at existing legislation and making sure that these things are

taken into account before steps are taken to buy any new, shiny, promising AI technology.

It's really important for data protection to come into play as well, because for public services, almost every public service will deliver a bespoke service to an individual and will therefore have to process their personal data.

So while not every AI and new technology will use personal data and what it can do, for public services, it almost certainly will. And that's where all the privacy risks need to be identified as part of that deployment as that's used.

**Sam Williams (Audit Wales)**

What are the biggest challenges facing public sector organisations in Wales when implementing AI responsibly?

**Pete Thomas (CDPS)**

So I touched on this a moment ago in that there's an enormous pressure being felt, but public services are generally under enormous pressure already.

There's a pressure to deliver more with less usually. And then there's this promise of this fantastic new technology just around the corner. Just buy this and it'll make all the difference.

So one of the challenges, I think, is realising that you should take your time before stepping into the market and just buying something. There's a question of governance and accountability and assurance.

For me, it's all about, so one of the biggest challenges is making sure that you don't leap ahead and just dive in without proper forethought and consideration of what the technology can do.

I'd go on to say that some of the things that people, leaders in organisations need to think about are things like the impact on the workforce, lots of the workforce, we've done some work with the Workforce Partnership Council.

We've got brilliant social partnership principles in Wales. And in working with the Workforce Partnership Council, we surveyed lots of the workforce and there are all sorts of worries.

You know, the buzzword exists. Lots of the worries come from science fiction movies and the fact that robots are coming or jobs are going to be lost, which are not quite accurate, but those worries exist.

I think, you know, one of the challenges is actually engaging with the workforce and making sure that they understand what's being proposed, that they have representation that they can feed in.

That's just one. There are lots of other challenges too.

**Sam Williams (Audit Wales)**

Dave, do you want to comment on that?

**Dave Teague (ICO)**

I think the challenge has been there for a long, long time.

And in many ways, they're similar to the challenges that we're facing in any digital transformation project.

You could argue now that AI is just digitalizing, transforming digitally, existing digital transformations as it's taken it to the next degree. And I think that one of the biggest challenges really is just getting that balance right between innovation and privacy for us, certainly in the ICO, looking at it from an information rights angle.

Our view is that data protection is not a barrier to innovation. It's more of a how to rather than a not do. And it's something that, you know, that we were certainly working to promote that message right across Wales and the UK.

**Sam Williams (Audit Wales)**

Yeah, that's some really good messages there.

So people should take their time, make sure that things are in place, don't leap ahead and understand what's happening before they make decisions on those things.

With those things in mind, how can public sector organisations ensure ethical use of AI, especially in sensitive areas like health, policing and social services?

**Dave Teague (ICO)**

In terms of data protection law, if you're doing the data protection compliance side of things as part of an AI deployment or procurement exercise, then that will help you towards looking at the ethical side of things on there.

Just because you can doesn't mean you shouldn't. And within data protection laws, there's a principle of fairness, which means that the processing shouldn't, shouldn't, should be within reasonable expectations of the individuals and shouldn't have any adverse effects on the individuals as well.

So particularly further, the areas that you mentioned around policing and health, where there is extra sensitive personal data or in data protection terms, special category data, extra care needs to be taken.

And definitely that can be an ethical choice.

But certainly from the data fairness side of things, if you can evaluate the fairness and make sure that that's built into it and that if there are automated decisions

being taken as part of the system, they need to cover the fairness principle as well and significant human interaction or involvement in that as well and people have the right to review any decisions as part of that might be taken as part of that as well and that's whole built within the fairness principle of data protection laws which can help people get things right.

**Pete Thomas (CDPS)**

I'd add to that that we're in a pretty good place in Wales because we have lots of guidance and legislation and ways of working. There's a Welsh way of doing AI that is really important to take into account.

We have the Future Generations Act in Wales, which is all about ethics in my view. It's all about, you know, the impact of decisions now on generations to come.

We've got to consider things like the the Welsh language and the fact that AI generally is well trained on English language corpora. So it's really good at English language, but less so in Welsh, although that is changing, it is improving and getting much, much better, much more quickly.

But, you know, with the Welsh Language Act in Wales, we need to make sure that public services use of AI is done appropriately and ethically in that sense.

And as part of our standards in CDPS, the 12 sort of standards that set out what good services look like.

We need to take account of accessibility as well and be aware of the digital divide. And people who do not use AI may well feel disadvantaged.

We've done lots of work with the younger people's commissioner, the older people's commissioner, and lots of others just to make sure that everyone who wants to have access to AI has has that ability.

Public services are for everybody, so we can't exclude members of the public.

**Sam Williams (Audit Wales)**

Yeah, that's a really lovely way of putting it there, the Welsh way, and including the well-being of Future Generations Act is a really good way of making sure that the Welsh public sector distinguishes itself from the UK and global approaches to AI.

And making sure that we don't leave people behind is a really important part of, well, the Future Gens Act.

Moving on now.

What mechanisms are in place or needed to ensure transparency and accountability in AI decision making?

**Dave Teague (ICO)**

Well, again, from a data protection perspective, it's built into the legislation and the requirements of data protection, transparency and accountability are big principles for the legislation there.

In terms of transparency, you'll all have we'll all have seen privacy notices where we're using services which tell us how information is going to be used, why it's going to be used, and the security that might be around it. And the whole that fulfils the transparency principle of that side of things.

In terms of AI, it's going to be really important for people whose personal data is being processed by an AI system that they're aware of how it's going to use their system when the AI is going to be deployed.

There's also the there's the issue of explaining decisions that might be made with AI or how the AI is going to work.

A little plug for our own guidance here that we've got a report on explaining decisions made with AI on the ICO website. And that's really useful and it breaks down the guidance in terms of the three of the different roles involved in the AI deployment in the data protect, the role of the data protection principle, the role of senior leaders and the role of technical experts as well that are developing the AI systems.

And I think that's absolutely important. It's essential in order to be compliant with data protection law that that's done as part of the procurement and the deployment and that will enable the transparency and which can then lead to the necessary trust and buy-in, which I think is absolutely essential and key to the success of AI.

**Pete Thomas (CDPS)**

I'd add that there are mechanisms to use already in place, things like the algorithmic transparency recording standard, which has been recommended to be followed by public services in Wales for any algorithmic tools that are being used with the public, essentially.

But it's a really good guide to consider what you're doing, who's involved, what the impact could be.

And another thought for me is on the transparency and accountability piece. One of our recommendations to public sector organisations is to make sure that everyone in the organisation has some familiarity with AI.

So that's from the most junior, youngest, possibly earliest in their career users to be aware of what their decisions can be, the kind of impact their decisions can make when they're using AI right up to the top of that organization, the CEOs, those carrying the can, the buck stops here.

And I've heard a, it is a story, it's not a genuine fact, but it does illustrate what I'm talking about here. Imagine there's a junior doctor on the ward who's discovered an app that helps diagnose skin cancer.

They don't use it generally. They think, well, this is interesting. And they've tried it out on a couple of patients at the end of a very, very long shift. They're very tired. They might not be in the best frame of mind for making critical decisions.

They just want to get home.

But they've found this thing and maybe it's dismissed something that might have been skin cancer, but maybe probably not. It's okay. Forgot all about it.

But then the worst happens and that patient actually develops into a life-threatening condition.

That cancer becomes more widespread. The chief exec of that hospital trust or that board may have no idea that there was an AI agent or an AI tool being used in that situation.

There's no accountability there, but yet it's influenced the decision and influenced, in this case, fantasy story, but a person's life, you know, potentially at risk because of it.

So, you know, having an organization must have, and they probably already have roots of risk management and transparency for decisions about data.

AI should be the same.

You know, that if there is AI in use, there should be a way of making sure that it's transparent and accountable.

And again, as we're talking about public services here, people don't have a choice about public services. They have to use them, essentially.

My local authority, I have to use their services because that's my local authority. Health is the same and the government is equally the same. I want to know if artificial intelligence is being used in any decisions made about me.

If it's going to help with my job application, for instance. Is it going to help in any other way, but it's that transparency.

People need to trust that organizations using artificial intelligence are doing it the right way.

And I think the only way we can do that is by being transparent and open about it.

and accountable, ultimately.

**Dave Teague (ICO)**

Yeah, and I'd go as far as with the accountability principle in data protection law, that's about demonstrating compliance, but it's also linked into transparency that if you're demonstrating your compliance and you can publish what you're doing with it and how you're complying, then people will be able to understand a little bit more about that side of things.

There's lots of toolkits out there.

There's one on the ICO website as well that can help organisations show how they've built in this, the

the rights of individuals and good practice within their deployments.

**Sam Willaims (Audit Wales)**

Okay, that was a really great answer that both.

It's really nice to hear some sort of achievable good practice.

So both the having or asking for privacy notices and making both your employees aware of what to ask for and making sure that you have your own and making sure that everyone within the organisation has some experience with AI all the way from junior employees all to the chief exec is a really good piece of advice.

We will make sure that all of the links for things that we mentioned are in the show notes, so the explaining decisions made with AI and the toolkit are all below.

How do we build public trust in AI systems used by government bodies?

**Dave Teague (ICO)**

I think one of the key tools for us is the role of the data protection impact assessment. It's not something that is specific to AI projects.

It needs to be done wherever there's new processing or changes to existing processing of personal data and it allows an organisation to fully assess the risks as to whether or not, this is the most, the only way to get things done in the most effective way, the only way to achieve the goals of the project, whether there's a less privacy intrusive way of getting things done with the AI.

And the data protection impact assessment is a really, really important tool and it lives throughout the course of the project. And that's something that can help engender that trust because if you can publish your findings from the data protection impact assessment, it'll just demonstrate that thinking.

So it not only is an accountability tool as well, it's a trust building tool and it's something that we expect to be in place for anything that does something different with personal data or in some cases does something completely new.

### **Pete Thomas (CDPS)**

Yeah, I think this is really important. As I said previously, the public expect organisations to be using their data properly and looking after that data.

And AI is such a buzzword at the moment and such a concern for lots of people, public sector. And we need to be on the front foot.

We need to be saying, this is what we're using AI for. This is what the result is. And also to be very transparent about the fact that it's being checked and it's not a black box operating in a corner somewhere with some mystical things going on and an output coming out that's not checked, that human in control or human in loop, some people say, but human in control and the ability to have somebody double check, fact check.

Yes, hopefully it'll speed up waiting lists. Hopefully it'll give you the information you need much more quickly. Hopefully it'll reduce stress in lots of situations and various other advantages as we know, but actually having that trust that somebody is involved. There's a human in there that knows that stuff that's being generated is actually accurate, reliable, authentic.

And I'm being open and honest about that. Let's put it out there. Let's put on the website that we're using AI to do this. Let's use other tools and techniques as been mentioned. Let's share DPIAs.

And in fact, one of the things CDPS is busy doing is promoting exactly that. And we're asking organisations to share. We might redact certain information, but we're sharing DPIAs, other impact assessments on the digital sharing hub.

So we host the digital sharing hub. Some organisations have started using it for exactly those purposes. And it's great from my point of view, when I get asked, do you have any advice?

Literally yesterday, I pointed to David's advice about the ICO's toolkit.

And I was also able to point to the knowledge hub or the digital sharing hub to say, look, here's an example that somebody's shared from another public sector organisation.

But I think that's really important.

One last thing on this, and that is we're currently conducting a survey of usage of AI right across Wales.

So we're emailing everybody, we're nagging everyone to fill in this survey.

It's not a simple five minute job. It's a pretty intense survey of who's doing what with AI in Wales.

And the point of that is to establish a baseline to see where it's being used because it's very widespread already. And also to look ahead, to look at who's doing what.

And the idea is we'll be able to share amongst people in public services in Wales, who's doing what and what the plan is for future procurement, future builds, future uses of AI, so that we can learn from each other.

And CDPS is all about bringing the community together.

**Dave Teague (ICO)**

Yeah, and I think that learning from each other is a huge statement, isn't it? And it's such an advantage that we've got here in Wales as well.

It could be that there's a product that one organisation has found a risk for and is able to mitigate that risk and others may not have done that.

We're probably all familiar with some of the issues with AI systems, with hallucinations and producing incorrect messages or having inherent biases built into them. And if an organisation isn't aware of those, surely sharing that knowledge can help organisations be aware of some of the challenges they might face if they're looking at a particular solution to a problem that they've got through AI.

**Sam Williams (Audit Wales)**

How did data governance and AI governance intersect, especially regarding data sharing across public services?

**Dave Teague (ICO)**

In terms of data sharing for Wales, we've got the Wales Accord on the Sharing of Personal Information or WASPI. And that is a framework that enables organisations in the public sector to share information and it helps them share information securely, safely, proportionately and appropriately.

And it's something that we would expect to see in place where that data sharing is regular or even on an ad hoc one-off data sharing. And I think that the

principles that underpin WASPI would underpin a lot of AI and data sharing governance as well. They're so intertwined.

I think as we've said earlier, because public services are using personal data to deliver services to individuals, they will need to undergo or make sure they are screened against the data protection principles. And in doing so, the governance between data protection and AI is very, very similar as a result.

**Pete Thomas (CDPS)**

Yeah, I think you're right. So that's a good thing. So I agree. I think there's already good data governance.

There has to be, in lots of organisations and people should not panic about needing another layer of AI governance. They've already got people in places with the right steps about sharing information correctly and safely. And AI, it should be tackled in the same way.

They might not be aware of it. That's what we're finding that some people don't realise that AI is their responsibility, but it's here, it's now, people in the organisation that you work in are using it.

If you're already a data protection officer or you've got some kind of information risk owner aspect to your job, you need to be thinking about AI. If you're not, then, you know, you need to be now.

**Dave Tague (ICO)**

And I think as well, these are organisation, it's organisational wide buy in into the whole concept of AI and new technologies that are improving.

And we've, the ICO published this year, but we made public our own internal policy on AI. And we've seen that coming out of some Welsh public sector organisations now.

And I think it's a really useful tool for letting everybody in an organisation know what the approach will be to AI. And as Pete mentioned earlier, letting everybody at every level know what they can and can't do with it, what the expectations might be on them, what are some of the risks there.

It's a really useful tool, I think, to help get that governance throughout the organisation.

**Sam Williams (Audit Wales)**

Is the Welsh public sector equipped with the skills and knowledge to govern AI effectively?

**Pete Thomas (CDPS)**

This is a very loaded question.

So I've got to say yes and no at the moment.

I think there are some parts of the public services that I've come across that are really, really well equipped. And they're doing this brilliantly.

And they've got fantastic things going on that are being managed really, really well, governed really appropriately. And they've thought about everything from right at the beginning.

Quite often that's building their own, you know, and that's right across different organisations. But then in others, there's so much pressure being felt to jump on the AI bandwagon that there's a not of reluctance to do governance properly, but there are people looking for almost shortcuts through it.

What do we need to do? What's the minimum we have to do?

Can we just trust what's being sold to us?

And, you know, I would say, no to that, but it's an ever-evolving field as we know AI is changing so rapidly.

So will we ever have the right amount of skills and knowledge to keep up with absolute, you know, cutting edge changes to the technology? I don't know, but there are definitely approaches that lay the foundation for getting it right in future.

I've mentioned them before, but we've got these nine recommendations, which are practical steps that people can take straight away.

And they include things like having an internal steering group. So we've done this ourselves in my organisation, and it's been absolutely groundbreaking.

It's been brilliant for me.

It's not just a bunch of people who are really enthusiastic about AI. It's not just a bunch of middle-aged men my age thinking about AI. It's a really diverse cross-cutting section with lots of different opinions.

And it's had massive impacts.

The idea of it is to produce guidance or recommendations for those in charge of making those decisions, to have some context and make those decisions based on data.

But it's had real impact on our rollout of AI tools and how we approach it, how we talk about it. And, you know, it's tempered enthusiasm with common sense, a bit of worry.

How do we address those worries first? What's the impact? That sort of thing.

So it's not rocket science. I think the difficulty is that there's a lot of guidance out there. You know, so I think what people need to do is look at authoritative sources and they would be for me, Dave's in the room here, that's definitely one.

And again, you know, shout out to the nine recommendations that we have based on UK Government guidance, based on Welsh Government guidance.

It's all about getting it right and getting the foundations set first.

### **Dave Teague (ICO)**

I'd agree that the pressures are different for every organisation in different sectors, delivering different services.

I think with AI, there is a knowledge gap there. There naturally will be. I think if you're procuring an AI system, you have to ask different questions and new questions that you've never had to ask before, such as, you know, how did the AI system learn? What personal data is being used? If we are using personal data in our system, if we're putting personal data into this AI system, where does it go? Is it staying within our estate?

And then, you know, so their decisions have to be taken based on that. And they're not questions that, like I say, they've never been had to ask before on some procurement.

So it's about building those things in there. But as Pete says, I think it's really positive that we've got all this information that is available and can help equip our leaders and our technical experts.

I know certainly for him in my line of work, there's a hugely strong data protection community within the Welsh public sector.

And I think there's a lot of expertise within there that can be brought into the projects that we've seen that we see being deployed.

And we do see, like you, Pete, you know, we do see some organisations have really got it going on really well. There's excellent compliance in others. There may be some gaps.

It could be project specific within there, but if you can get the right people around the table for each project, I think that's a key way to making sure it's successful.

### **Pete Thomas (CDPS)**

Just before you come back in, Sam, I think that's right.

So again, the right people around the table is really important and they probably already exist. So they may feel they don't know much about AI, for instance, but

they've already, if they're the people I'm thinking of, they've already dealt with data protection.

They've already got risk in their job description. You know, there's audit and risk committees exist for a reason for lots of public sector organisations. You know, there are people who know these kind of things.

We're not, I'm not arguing that we need to set up an entire new governance strand here.

It's the skills and knowledge to do it might be slightly different, but those processes and those people and those roles exist and the guidance is there.

**Sam Williams (Audit Wales)**

Yeah, those are some really important considerations, especially for those new questions.

And I imagine it can be quite daunting for people when they have to come across doing things with AI. And like you say, they've previously done these things with data.

So a lot of the structures are actually in place that are very similar.

The first part of what you mentioned, Pete reminded me of a quote of one of our good practice colleagues has used for quite for years now, which is the future is already here it's just unequally distributed.

So bearing that in mind, what training or capacity building initiatives are most urgently needed?

**Pete Thomas (CDPS)**

This is right up my street.

So digital capability is it's an interesting one. Wales has got some very talented, very capable people working really, really hard in public sector jobs, trying their hardest to improve outcomes and services for the people of Wales.

But what we found is in digital transformation to begin with, maybe they don't have exactly the right skills needed or they're not enabled to do the things that they need to do to make those differences the most impactful they could be.

And that's probably the same for AI.

We've got some amazing areas, as in, you know, we just said, we've got some people with incredible skills creating AI tools that are, you know, making an immense difference already.

So, but that's not equally distributed. There are some places, there are some hot spots of it, but there's a lot of worry and a lot of concern and a lot of foundational knowledge needed just so people can understand it's not terrifying.

I haven't used AI.

I haven't used Copilot because it's terrifying.

I haven't used ChatGPT because I don't know where my data goes and all those sorts of things.

So there's a lot of work going on at the moment in lots of areas.

Everybody I talk to seems to be worrying about foundational AI understanding and making sure that public sector or public servants know the basics, know the minimum.

What are these things?

How reliable are they?

What worries should they have?

How do they go about it?

We've come up with some simple rules for our teams in CDPS that we're happy to share.

But there's a range here, isn't there?

So there's skills for everybody who's using AI. There's that basic introductory foundational sort of side of things.

There's skills for leaders and managers in terms of how is this going to impact my workforce, what consideration should be, and shout out to the Workforce Partnership Council guidance that was written and released just before Christmas, which talks about engaging with the workforce and working in a social partnership way, really, really important for leaders and managers to look at that.

There's specific leadership questions. Should we be using AI in this case? Is it just because everybody's shouting about it and saying how wonderful it is? Is it really the right thing for our organization?

Do we need to?

Could we look at something else? So for instance, the other thing on my mind is RPA or robotic process automation.

Lots of success with that. Enormous time savings. We've seen in different organisations across Wales. It's not AI, although AI gets sprinkled in every now and again.

People talk about AI-powered RPA, but actually robotic process automation, no physical robots in the room. It's just a bit of a, it's a computer programme on the

screen that automates processes and doing that can save enormous amounts of time.

The elephant in the room, the bit I haven't mentioned is the, you know, the engineering aspect of it, the data science part of it, you know, people who are actually building and using AI, there's skills, not so much a skills shortage there.

We can always do it more. But again, that's going to be a growth area, I think, in terms of skills needed, more and more interest in that, more and more people looking to build their own and localised AI uses or agents.

But that's another story.

### **Dave Teague (ICO)**

Yeah.

And I think from a training perspective, again, because again, the use of personal data is going to be so important to these systems, it's going to dovetail nicely with data protection training, which should be in place across organisations.

And what we say for training, certainly the best training, is it's specific to each role. There are going to be different data protection and different privacy issues faced by social workers versus police officers versus doctors versus school clerks for example.

And I think it's important, it's really important that the training that they receive enables them to do their jobs securely and treat the personal data that they handle securely and safely and appropriately. And there's just a short hop then across to how that AI is going to impact their role and how AI can do that.

So I think it could be built into, in some cases, it could be built into existing training method going alongside the organizational policy as I mentioned earlier, that can define how the appetite towards AI within the organisation and let everybody know about it.

### **Pete Thomas (CDPS)**

I've got one more thing to come back on that, if that's okay. So I mentioned there's lots of training going on, lots of people thinking about it.

CDPS have got our own offer at the moment, but I know in working with Welsh Government colleagues, a pressing initiative at the moment is the setting up of an AI college for public servants in Wales.

It's not a physical building. That's not the plan at the moment, but it will be curated content that's particularly relevant to public sector workers.

So that's been deeply considered at the moment. And there's a really-- there's an urgent need to do something so that everyone gets a basic understanding, but there's also opportunities to grow in particular areas as well.

**Sam Williams (Audit Wales)**

So what emerging trends in AI governance should public sector leaders in Wales be preparing for?

**Dave Teague (ICO)**

I think this might be timely for me to answer this one because we've recently published a paper on agentic AI and what the future might hold for agentic AI, whereby pockets of AI processing is happening and being passed to other pockets, other agents, if you like, and combined they can actually deliver a service there.

And our report is looking at where the data protection and the privacy implications could come into play with those things there.

And I think that's something that you need to be aware, everybody needs to be aware of.

But my message to senior leaders there would be just to make sure that you are aware of the emerging trends and to break it down into what that actually means for your organisation and see how you can build your processes around the new technology and make sure that you can use it for your advantage.

I think there's another key message as well for us is that, you know, data protection and privacy, the laws that we regulate, they're not a barrier to innovation and the use of AI. In fact, they're more of a how to do it properly, how to do it responsibly.

So I think that that's a common myth that we hear a lot about that I think we can dispel.

**Pete Thomas (CDPS)**

I've got to say that's really timely guidance because everybody's talking about agentic AI at the moment.

And one of my worries is what happens to those agents, who's keeping them up to date when every employee in your organisation can create their own autonomous agent, essentially, and off it goes and is using information to answer certain queries, but that information's maybe updated, you know, the main policy or the main idea behind it has changed slightly and that agent's still referencing something that's out to date and nobody's checking.

But if everybody in your organisation is doing that, that's quite terrifying.

You know, how do you manage that?

So for leaders, yeah, let's think about this and think about how to do it fairly and appropriately. Again, not to stifle creativity, but let's get people doing this in a thoughtful way.

Do we need to be doing it?  
Should we be publishing?  
Should we be sharing those agents?

Again, we should be being transparent about the fact that they exist and making sure that there are ways to do that.

There's one other emerging trend that's on my mind, which is a concept that I've heard recently about. Well, it's commonly known as an AI factory, but essentially it's being, my understanding, is it's bringing the GPU or the processing power, the AI itself, the model itself in-house.

So currently people using AI tend to use a model created by corporations based around the world. But there are increasing concerns about the privacy of the data being transferred.

Is it being intercepted?  
Where's it going?  
And where's it being stored?

Those sorts of questions.

So people are beginning to think about having their own home-based, office-based AI models and having that GPU located internally, which sounds good in terms of, you know, addressing privacy concerns, but from anybody looking, you know, looking into that organization, how are we going to know what's going on in there?

You know, at least with external models, there's a there's a level of public expectation, there's a level of trust that needs to be maintained.

But if this is a model that's been trained on your own data, it's being updated inside the black box, inside the four walls of your office.

How can we ensure public trust in that process? It's an emerging field.

I'm not sure of anybody actually doing this in Wales at the moment, but it's something that's coming over the horizon, I think.

### **Dave Teague(ICO)**

I think with every emerging field as well, if you just go back to basics and start with your data protection impact assessment, it'll tease out those risks.

And if there is a risk of interception or there's an international transfer of data, it'll highlight those risks. And if you look at your data flows, you'll see which organisations are involved and you'll be able to hopefully put mitigations in place or decide that that's not the correct avenue to go down and to move into another way.

And again, sharing that information, as we spoke about earlier, being open and transparent, I think that's the key to it. That's the key to handling any new technology that comes down further down the line.

### **Sam Williams (Audit Wales)**

Okay, so we've already heard about some really good things that the Welsh public sector are doing and some things to look forward to over the next few months, like the AI College and CDPS surveys.

But how can Wales position itself as a leader in ethical AI within the UK and globally?

### **Dave Teague (ICO)**

I might be straying out of my lane here a little bit.

This isn't data protection related, but this is based on my experience dealing with so many Welsh public sector organisations as we do. And I'm going to paraphrase, I don't know where this has come from, somewhere else probably, but Wales is small enough to get things done and large enough for those things to really make a difference.

And I think the collective nature and the collaborative nature, the natural collaboration that we have, I certainly see, between organisations and sectors in Wales gives me a lot of positivity around the ability for Wales to do good things collectively as a nation and position itself there.

So again, I think it's that strength in community, strength in sharing and strength in skill sets and spreading that word will be key to harnessing all the benefits of the new technology that's coming down the line.

### **Pete Thomas (CDPS)**

I'd emphasize that's right as well. I totally agree, totally agree.

So Wales is definitely a small place which makes us nimble, makes us quick to adjust and get in touch with others. And that collegiate nature, you know, we work really well together and it's really important.

I'd add that we've got some pretty groundbreaking approaches as well in Wales in terms of things like the Future Generations Act. We touched on it earlier that that in itself, you know, if AI is considered in light of future generations and the

impact of use now or building now and, you know, what impacts are going to have on our youngsters and people in the future.

That's really important.

We can capitalise on that.

And another one for me is the work that's going on with the Welsh language. So really important part of Wales. We touched on this slightly earlier, but, you know, many LLMs that are in use now have been trained on English data or English words in the most part.

It's pretty good at Welsh. Lots of them now, you know, they're pretty good and improving, improving rapidly.

But for us in Wales to treat AI bilingually and do it well, first.

That makes us a global leader as well.

There's lots of other countries around the world that don't use English as their first language. They've got smaller training corpora. So, you know, I think there is a lot of really good work going on there to make the local dialect, I couldn't think of the word, the local dialect in Wales recognised by AI models, just north and south, slightly different variations on the language, the valleys to Cardiff and Newport, for instance, different accents in play, different words, but scraping all of that from Welsh podcasts, perhaps, or not just formally translated documents that Welsh government or local authorities or health boards or others have produced will make a difference.

I think, you know, as I say, there's lots going on there.

We should shout about it.

We're doing a really good job.

### **Dave Teague (ICO)**

And it's amazing. I've got a nice little anecdote around that: I was using Copilot to summarise some of the information for today. It was just to get the notes ready. Save me a lot of time going through guidance and making my own notes there.

And it came up and said, do you want me to redo your summary that's aimed at the Welsh public sector?

I said 'Yes, please'. And it produced a document for me in Welsh.

I didn't ask it to, but it assumed that because I was in Wales. And I thought it was fantastic. That shows how far the Welsh language has become integrated into that particular system.

But I absolutely agree with what you say there, Pete. We are in a unique position as ever in Wales. And I think if we can reap the benefits of that, then it'll be for the good of everyone.

**Sam Williams (Audit Wales)**

Thank you for your time and sharing your knowledge today.

Before we wrap up, is there anything else that you want to say that we haven't covered in any of the questions so far?

**Dave Teague (ICO)**

I would just say that if anybody's listening and has any queries on that, then feel free to get in touch with the ICO at [wales@ico.org.uk](mailto:wales@ico.org.uk).

We can get in touch with our team there and we'll see what we can help.

Do look at the website for any of some of the guidance that we've put in and referred to today.

And we hope to hear from people.

**Pete Thomas (CDPS)**

Yeah, similar.

We have a public sector in Wales version of guidance. It's not different to what's going on in the UK or wider.

It's curated the best kind of guidance out there, but we've tried to tailor it to a Welsh audience. So that's available on our website.

We run an AI and automation community of practice. So if you're interested in joining that, there's a monthly meeting.

It's only an hour.

Really, really friendly, really active group. Great bunch of people come together to raise worries, concerns, excitement, share good news, that sort of thing. It's a brilliant place to be if you're interested.

That group links into the AI leadership group for Wales that CDPS hosts. And that group links into the strategic AI group that Welsh Government have set up, the AI advisory group that directly speaks to ministers.

So there's a there's a connection there, there's a chain.

If you're interested in in any of those, please have a look on the CDPS website.

**Sam Williams (Audit Wales)**

That's perfect.

It's really important in the job that we do to share the good practice that we come across. You've given us lots of examples today and lots of published resources that we can share all the way from the workforce council guidance, the work on agentic AI from the ICO and the explaining decisions made with AI, and then all of the CDPS resources.

Pete, if you're okay sharing your in-house rules that you mentioned earlier, that would be great.

We'll make sure to put in the show notes all the information about joining the CDPS community of practice.

Thank you for being so generous with both your time and your knowledge today.

I'd like to finish on one of the quotes from you earlier, David, which was that Wales is small enough to get things done, but big enough to make a difference.

**Rhian Jones (Audit Wales)**

Thanks for tuning in to this episode of the Exchange podcast. If you enjoyed it, then hit subscribe via your podcast provider to catch future episodes.

A quick review or sharing it with your friends or colleagues would mean a lot to us.

For more information, check out the show notes. You'll find all the relevant links and contact details there. You can also visit our website at [audit.wales](https://audit.wales).

If you have any questions or thoughts, we'd love to hear from you.