Algorithm Use Policy

Version 1.0 – 13 April 2022

1   MBIE guiding principles and values relevant to this policy

1.1   The Algorithm Use Policy aligns with MBIE's guiding principles of:

a. Ensuring our core values and diverse and inclusive culture, including partnering with Māori, are at the heart of what we do;

b. Protecting organisational reputation;

c. Ensuring best use of tax payer funds;

f. Acting with or complying with the law and legislation.

1.2   This Policy also aligns with the following organisational values and behaviours:

a.   **Pae Kahurangi:** We protect what's precious, our taonga; and we learn from the past to shape the future.

We adopt algorithmic tools to enable streamlined and effective decision making to demonstrate MBIE's value of building our future.

b.   **Pono me te Tika:** We take responsibility and do what we say we will; and we hold ourselves and each other to account.

We hold ourselves responsible for our decision making by ensuring the safe and appropriate use of algorithms to make and support decisions.

2   Purpose

2.1   MBIE must maintain public trust and confidence when using our information to make decisions which impact New Zealand though automatic decision making tools.

2.2   The purpose of this policy is to:

a.   set the rules for algorithms which support decision making to enable accountability for the decisions at MBIE.

b.   maintain public trust and confidence in MBIE's decisions, by ensuring transparency and accountability in our algorithm-assisted decision making processes.

c.   embed internal responsibilities for assessing algorithms in development and use at MBIE.

2.3   This will enable staff to create, develop and use algorithms which process information to output recommendations or support decisions safely and confidently in the delivery of our outcomes for New Zealand.

3   Scope

3.1   This policy applies to all staff, secondees, contractors and service providers, employed or engaged on any basis by MBIE, whether they are casual, temporary or permanent, whether full time or part time and whether they are located in New Zealand or in any other country.

3.2   This policy applies to all algorithms that MBIE uses to make or assist with decision making, that have a 'Medium' risk rating or higher, under the MBIE Risk Management Framework.

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4   Definition of terms

Term	Definition
Algorithm	*Algorithms are the automatic decision-making processes used by computer programmes to identify patterns in data, in order to assess alignment to a set of criteria or predict outcomes.*
Algorithm Charter for Aotearoa New Zealand	*The New Zealand Government Charter that demonstrates a commitment to ensuring New Zealanders have confidence in how government agencies use algorithms. MBIE is a founding signatory.*
Information	*Both personal and non-personal information, and includes any information, fact, opinion or intelligence that does or could assist MBIE to fulfil or improve its regulatory compliance, law enforcement, or protective security functions – either alone or with another agency.*
Regulatory compliance	*Ensuring that regulated parties comply with the laws, regulations, codes, and rules that MBIE sets and/or is responsible for, as informed by MBIE's regulatory compliance strategies, and may include MBIE seeking arrears, penalties or other sanctions.*
Protective security	*MBIE's responsibility to protect its people, information and places.*

5   Policy Statements

5.1   The commitments from the Algorithm Charter must be taken into account when considering, or undertaking, the development and use of algorithms within the scope of this policy. The policy statements set the expectations for how these commitments will be practically implemented.

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Algorithm Charter Commitments	Policy Statements
Transparency - Maintain transparency by clearly explaining how decisions are informed by algorithms. This may include: - plain English documentation of the algorithm - making information about the data and processes available (unless a lawful restriction prevents this) - publishing information about how data are collected, secured and stored.	Publish information on the application of this policy at MBIE and the use of algorithms for decision making. If information is collected with the intention of being used in an algorithm, communicate this at the point of collection (in accordance with the [MBIE Privacy Statement](#)). Algorithm documentation must be stored in a manner that is easily reviewable and auditable. MBIE must document the scope and use of the algorithm, the information and rules that are applied to the algorithm and an impact assessment on the use of the algorithm.
Partnership - Deliver clear public benefit through Treaty commitments by: - embedding a Te Ao Māori perspective in the development and use of algorithms consistent with the principles of the Treaty of Waitangi.	Ensure the algorithm is compliant with the Treaty of Waitangi and its principles. Ensure appropriate engagement with Māori stakeholder groups to include a Te Ao Māori perspective in the development and review of the algorithm.
People - Focus on people by: - identifying and actively engaging with people, communities and groups who have an interest in algorithms, and consulting with those impacted by their use.	Consult with external groups which will be impacted by the algorithm use before operational implementation.
Data - Make sure data is fit for purpose by: - understanding its limitations - identifying and managing bias.	Document the scope for the use of an algorithm output before any decision making based on the algorithm is undertaken. An algorithm must have a Key Performance Indicator. Regularly test and document the level of the set Key Performance Indicator(s) an algorithm has. Bias must be mitigated when collecting data, refining data and using the outcome of the algorithm. If bias cannot be mitigated you must discontinue the use of the algorithm.

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Privacy, ethics, and human rights - Ensure that privacy, ethics and human rights are safeguarded by: • regularly peer reviewing algorithms to assess for unintended consequences and act on this information.	Undertake a Privacy Impact Assessment when developing and implementing an algorithm. Review algorithms to ensure fit-for-purpose, by identifying and assessing the risk of bias or unintended outcomes. Use of algorithm is legally permitted and appropriate.
Human oversight - Retain human oversight by: • nominating a point of contact for public inquiries about algorithms • providing a channel for challenging or appealing of decisions informed by algorithms • clearly explaining the role of humans in decisions informed by algorithms.	Each "Medium" and higher, assessed risk algorithm must have a Deputy Secretary sponsor, who will delegate day to day responsibility to a relevant business owner. Use of algorithm must be approved by an appropriate person. The policy owner must monitor compliance with this policy.

6   Key Accountabilities and Responsibilities

6.1   MBIE's accountabilities and responsibilities for the Algorithm Use Policy are as follows:

Role	Responsibility
Governance and Oversight	
Organisational Capability and Assurance Committee (OrCA	• *Approves the policy (as an operational policy)* • *Maintains overall oversight of the status of MBIE's internal policies* • *Endorses new and major amendments to governance policies prior to CE approval*
Data Steering Group	• *Oversees the performance of the overall MBIE data governance and assurance regime for MBIE's algorithm use*
Business Groups: Identify and manage risks in day-to-day operations (1st line)	
Deputy Secretaries	• *Provide leadership to embed the policy in their business group* • *Ensure their business group is compliant with the policy*
All Managers	• *Responsible for embedding the policy into operational activities within their business areas* • *Ensure new and existing staff in their teams are made aware of and comply with the policy*
All MBIE Staff, contractors, suppliers	• *Comply with this policy, associated processes and procedures and team procedures as specified by their manager*

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Role	Responsibility
and service providers	• *Use algorithms lawfully, ethically and appropriately in accordance with their legislative mandate, this policy and related team or MBIE procedures* • *Promptly raise concerns to their manager regarding any algorithm use that appears unlawful or inappropriate*
Risk Oversight Functions: Setting policies and monitoring compliance (2nd Line)	
Chief Data Officer (Policy Owner), *Data Strategy and Governance team*	• *Provide advice and support to business groups relating to the policy* • *Assist business groups with any breach management / mitigation activities as required* • *Monitor compliance with the policy through a stakeholder scan on an annual basis* • *Ensure the policy is reviewed and updated by the agreed review date or as needed* • *Provide quarterly reporting on policy compliance to the Data Steering Group*
Data Science Review Board	• *Technical oversight of algorithm development and use* • *Provide advice on assessing and identifying algorithm consequences using the MBIE risk management framework*

7   Procedures

7.1   MBIE staff (and any contractors and suppliers) that need to use algorithms to make or support decisions will assess the risk of the algorithm using the following procedures outlined in:

   a.   Algorithm Use Checklist

   b.   Algorithm Risk Assessment Framework

8   Related policies and documents

8.1   The following documents and policies are to be read in conjunction with this policy and are available on the MBIE intranet:

   a.   MBIE Code of Conduct

   b.   MBIE Internal Policy Requirements

   c.   MBIE Policy for Information Gathering for Regulatory Compliance, Law Enforcement and Protective Security Functions

   d.   MBIE Records Management Policy

   e.   MBIE Privacy Policy

   f.   MBIE Risk Management Framework

9   Relevant legislation, regulations and standards

9.1   The following legislation is related to this policy:

   a.   Privacy Act 2020

   b.   Official Information Act 1982

   c.   Te Tiriti o Waitangi

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9.2   The following standards are related to this policy:

   a.   [The Algorithm Charter for Aotearoa New Zealand 2020](#)

10 Measures of success

10.1   Evidence of success will include:

   a.   References to the Commitments outlined in Section 5 in operational decisions relating to algorithm use.

   b.   Increased use of algorithms captured in stakeholder scans and reviews, including the conversion of aspirational use to realised use.

   c.   Operational algorithm use procedures being conducted in a manner which means that they can be reviewed, audited, and have assurance tasks completed on them.

   d.   Each MBIE team that uses algorithms within the scope of this policy has well-defined governance arrangements and decision making accountabilities across their regulatory compliance and enforcement functions, in particular applied to algorithm use.

11 Compliance management

11.1   Compliance activities will include:

   a.   Internal monitoring by the Data Strategy and Governance team, of compliance with processes, procedures and/or guidelines approved by the Chief Data Officer;

   b.   Expert review of technical compliance and algorithm risk rating assessment from the Data Science Review Board;

   c.   Self-reporting of non-compliance;

   d.   An algorithm use checklist covering all the requirements in Section 6 for each in-scope algorithm will be duly executed and evidence retained to be submitted to the Chief Data Officer by the relevant algorithm business owner;

   e.   A periodic algorithm audit will be commissioned by the Chief Data Officer to document the current state of algorithms in use at MBIE, and their compliance to this policy.

11.2   Compliance information regarding the performance of this policy will be provided to the Data Steering Group and the Organisational Capability and Assurance Committee.

11.3   General reporting on the operation of this policy will be provided to the Data Steering Group and to a representative(s) from relevant business groups.

12 Non-compliance

12.1   Failure to comply with this policy may be considered a breach of the Code of Conduct.