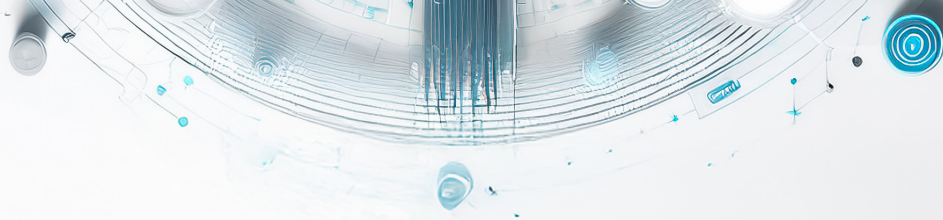# A New Era of Data Leadership

How chief data officers in government can integrate data and AI strategy

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AI is steadily transforming government operations, making it more essential for state and local agencies to strengthen IT governance. Chief data officers (CDOs) will play a pivotal role in this effort, shepherding their organizations as they attempt to create a unified data and AI governance strategy.

The Evolving Role of the CDO

With AI's growing influence in government, CDOs have an even more critical role as a strategic leader, according to Adita Karkera, CDO for Deloitte Consulting LLP's government and public services practice.

"Traditionally, the CDO was largely considered a leader for back-office data operations," Karkera says. "Today, the role of the CDO has evolved to become that central leader who's bringing together all conversations about data analytics, advanced analytics and even AI."

CDOs' traditional data responsibilities are converging with AI responsibilities. This shift has contributed to morphing titles for CDO roles, including chief data and AI officers (CDAIO), chief digital and artificial intelligence officers (CDAO) and chief AI officers (CAIO).

These titles reflect an expanded portfolio for CDOs that focuses on accelerating AI. There is now an opportunity for CDOs to shape their organizations' data and AI strategies by enabling AI pilot projects, scaling AI implementation and improving employees' AI literacy.

Building a Strategy for Data and AI

CDOs must adapt their organization's current data governance strategy to a world where AI is increasingly embedded into every tool, system and process.

Here are some of the building blocks of a cohesive data and AI governance framework.

☐ Align your data strategy

Agencies need a data vision that aligns use cases with the organization's core mission — and with executive leadership's goals.

"Everything comes from the executive level in terms of the right level of buy-in, sponsorship and alignment of what needs to be done," says Nii-Lante Lamptey, a Managing Director and an AI and Data Leader in Deloitte's State, Local and Higher Education sector. "When it comes to integrating AI into the organization, that part first needs to be copacetic."

☐ Develop risk management frameworks

AI technologies come with certain risks. CDOs must develop an overarching framework to manage the security, data privacy and outputs of AI models.

"AI initiatives within the organization should align to the strategic vision and mission, and enough due diligence should be done to ascertain adequate business value or outcomes," says Uday Katira, the National Strategy and Analytics Leader in Deloitte's for State, Local and Higher Education sector.

Review and reassess your organization's privacy and data usage policies. This review should include analyzing risks across all internal and external data domains, addressing current data and resource gaps, and ensuring data-sharing policies are consistent across departments.

☐ Foster cross-functional collaboration

CDOs should work closely with key data and AI stake-holders to establish clear roles and responsibilities and develop cohesive AI and data management strategies.

"Establishing a governance council is key to aligning personnel across the organizational hierarchy so that roles and responsibilities are clear and governance controls are in place," Katira says.

Creating transparency between your departments is crucial, as this will connect data and AI initiatives across the organization and enable agencies to generate more value from these projects much faster.

> " In the evolving AI landscape, the CDO role continues to gain importance in supporting AI adoption and enablement."
>
> — Adita Karkera, CDO, Government and Public Sector Practice, Deloitte Consulting LLP

☐ Don't start from scratch

Since data is the foundation of AI, examine your agency's data quality and data usage policies. Agencies should expand their existing data policies to cover the deployment and management of both structured and unstructured data — the latter increasingly serves as the source for generative AI (GenAI) models.

Also integrate AI into your existing data governance frameworks. Build on your current data governance committees and procedures rather than starting from scratch. Incorporate AI-specific policies and practices, like data ethics, into your employee training.

Finally, look to established industry frameworks, such as Deloitte's Trusted and Secure AI Guidebook, to shape your governance. Deloitte's framework includes pillars like explainability, fairness, impartiality, privacy and other elements critical to ethical AI deployment.

☐ Keep a human in the loop

Human oversight is essential to ensure trust and accountability — and efficacy — for AI applications.

AI models cannot successfully operate alone. Humans must validate and monitor outputs and provide feedback for continuous improvement. A unified governance strategy should consider what resources and oversight agencies need at all stages of AI development.

"Part of the concern that many agencies have is AI being completely autonomous and making decisions for the organization and for certain critical business processes," Lamptey says. "There's an opportunity to inject a human in the loop for some of the processes to ensure decisions aren't made in a vacuum."

☐ Build confidence and transparency

Explainability and transparency are integral parts of responsible AI. Help your organization establish a framework for clarifying AI outputs and justifying AI decisions.

Information on how a model was built, what inputs it uses, how it performs and why it rendered a particular decision should be easily accessible and simple for constituents and stakeholders to understand.

☐ Future-proof your strategy

AI will evolve, and so must your governance strategy. Help your organization adopt flexible policies, processes and technologies that can keep pace with changes in the AI landscape.

You should also have in place a workforce upskilling strategy that increases employees' AI literacy and prepares them to work effectively with AI systems. It should include training on how to use AI tools and outputs safely and ethically, as well as more technical training on what to do when AI applications fail or are breached.

Ensure resilience in your data and AI governance strategy by avoiding vendor lock-in. Invest in an array of AI tools and technologies to remain agile and get more value from your investments in AI.

"Structure your portfolio to be adaptable in a manner that can accommodate change and allows you to pivot to other tools and technologies," Lamptey says.

Conclusion

AI has ushered in a new era of data leadership. CDOs and other data leaders will play a pivotal role in helping their organizations realize the full potential of new technologies.

"In the evolving AI landscape, the CDO role continues to gain importance in supporting AI adoption and enablement," Karkera says. "CDOs are uniquely positioned to drive the foundation needed for data houses to be successful, whether it's with data readiness, data quality, AI prototyping, AI scaling or continuing their organization's AI enablement journey."

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