EUROSAI

Terms of Reference for the EUROSAI Project Group for "Parallel Audit on Artificial Intelligence"

1. General Provisions

1.1. Name of the Project Group

Parallel Audit on Artificial Intelligence

1.2. Background and Objectives of the Project Group

Background

The activity in the Artificial Intelligence (AI) field has accelerated in recent years, among other things due to the digital transformation processes and increase in scope and quality of databases in various bodies. AI technology has great potential in the government sector for achieving the benefits mentioned above, improving public services, effectiveness of government actions, and achieving economic savings. Nevertheless, there are obstacles and risks involved in the use of this technology in government service, by the very need for cooperation and pooling of information from multiple government bodies that do not normally share or are not allowed to share their information with other bodies. In addition, adjustments must be made to legislation and regulation, to enable sharing of information while abiding with the laws that apply to protection of information and privacy. In light of the significance and the relevance of those issues to many SAIs among EUROSAI, the office of the State Comptroller and Ombudsman of Israel initiated a project for conducting a parallel audit on the topic of Artificial Intelligence.

Objectives

The Audit aims to examine the government sector's preparedness for implementation of AI technology. This audit will examine, inter alia, the level of

digital maturity in government bodies, quality of databases and their potential suitability to AI technology, and preparedness of the existing and planned computer infrastructure according to the technological need. Such an audit would also enable examining the government's investment in development and training of the human capital required for advancement and assimilation of this technology. In addition, it could enable examining the governance, policy and national strategy regarding data, legislative aspects, regulation, ethics, and protection of information and privacy.

In countries where AI projects exist, the audit aims to examine the stages of planning, implementation, and assimilation of these projects, with emphasis on correlation between planning and execution, cost versus benefit, quality of assimilation, adapting to customer's needs, budgetary aspects, compliance with legal and regulatory requirements, and examination of information security risks and protection of privacy.

How we see it:

- SAI Israel will coordinate the process of conducting the parallel audit, at all stages– planning, auditing, writing, concluding and publishing.
- Participating SAIs will take active role in every stage of the project. Each participating SAI will write an independent audit on the agreed topic, following the outline determined by the PG, and SAI Israel will be responsible for collaborating the relevant conclusions and international comparison into a consolidated report.

1.3. Link with EUROSAI Strategic Plan

1.3.1. Strategic Goal / portfolio to which is linked

The PG is linked to the SG1 Supporting effective, innovative and relevant audits by promoting and brokering professional cooperation.

1.3.2. No duplication or overlaps with other activities of the EUROSAI Strategic Plan

Neither duplication nor overlaps have been identified, but coordination with all other EUROSAI key players is ongoing.

2. <u>Structural provisions</u>

2.1. Lead SAI(s)

The State Comptroller and Ombudsman of Israel (SAI Israel)

2.2. Contact person(s)

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2.3. Participants

The project group is open to all EUROSAI members. So far, other than SAI Israel, nine SAIs have expressed their interest in joining the PG – Estonia, Iceland, Italy, Latvia, Lithuania, North Macedonia, Norway, Poland and Romania.

3. <u>Technical and procedural provisions</u>

3.1. Intended Results

The PG will present a consolidated report on the topic of artificial intelligence that will be relevant and serve as a guiding document and working tool for all governments.

3.2. Benefits to EUROSAI Membership

Performing a parallel audit will contribute to all EUROSAI members and promote the knowledge sharing and the cooperation between SAIs, and will allow brainstorming, exchange of ideas and methods and mutual learning. The

performance of a parallel audit on the significant and relevant topic of artificial intelligence would be an opportunity to bring a new perspective on the global level.

3.3. Duration & Key Milestones
Duration
The parallel audit is planned to be carried out during 2024 - 2025.

Key milestones

First meeting (kick off meeting)	Q2 - 2024
Touch Base (field work)	Q3- 2024
Finding and Conclusions	Q4 - 2024
Publication of the consolidated report	Q1 2025

3.4. Working Methods
- E-mail, videoconferences, and on-line Teams meetings.
- One in-person meeting, if possible

3.5. Necessary Resources
- **Financial**
  The participating SAIs will bear their own costs related to their involvement in the PG.

- **Other**
  Participating SAIs will be asked to take an active role in the PG meeting and in all stages of the process.

3.6. Reference documents and materials

- EUROSAI Strategic Plan 2017-2024
- General Procedures for the ESP 2017-2024

4. Accountability provisions

The office of the State Comptroller of Israel will report on progress and results to the EUROSAI Governing Board under the Strategic Goal 1 reports, following the procedure defined in the General Procedures for the ESP.