

Application of AI in SAI Israel

AI as a Tool for Supreme Audit Institutions

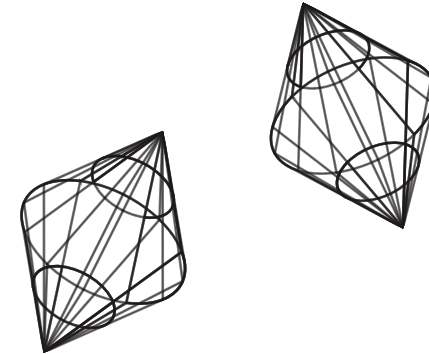
International Conference, Bratislava, Slovak Republic

13 May 2026

Mr. Matanyahu Englman

State Comptroller of Israel and EUROSAI President

- In recent years, the State Comptroller of Israel (SAI Israel) has integrated advanced tools and technologies into its audit work.
- As the EUROSAI Presidency, SAI Israel has prioritized the use of technology in auditing, particularly the implementation of Artificial Intelligence (AI), as a key component of modern audit methodologies.
- To enhance the scale and accuracy of its audits, SAI Israel has developed advanced capabilities in data collection and analysis.



Top AI Risks



Out of control



True or false - manipulation



Autonomic weapon in wrong hands



The employment market



Lack of transparency ("Blackbox")



Bias and discrimination



Data privacy



Information security



Fraud detection



Accountability & legal responsibility
(due to lack of human oversight)



Lack of professional human capital



Finance markets

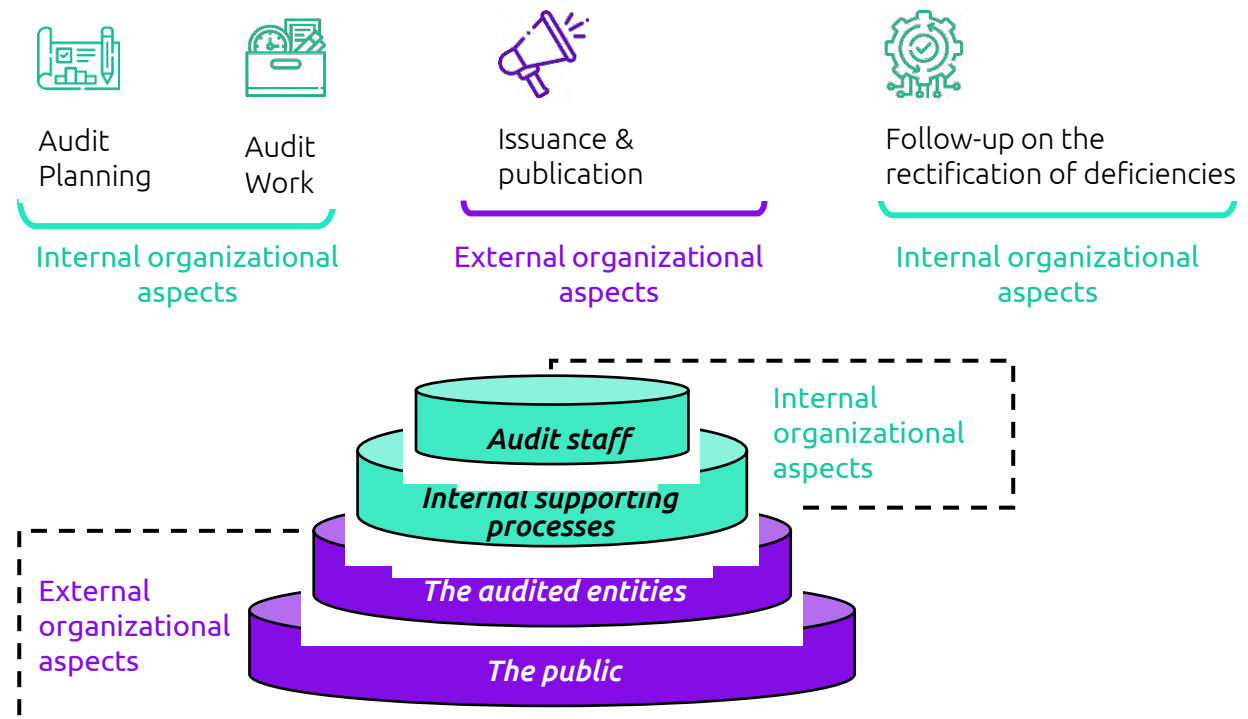


Opportunities and Challenges of AI Integration in Auditing

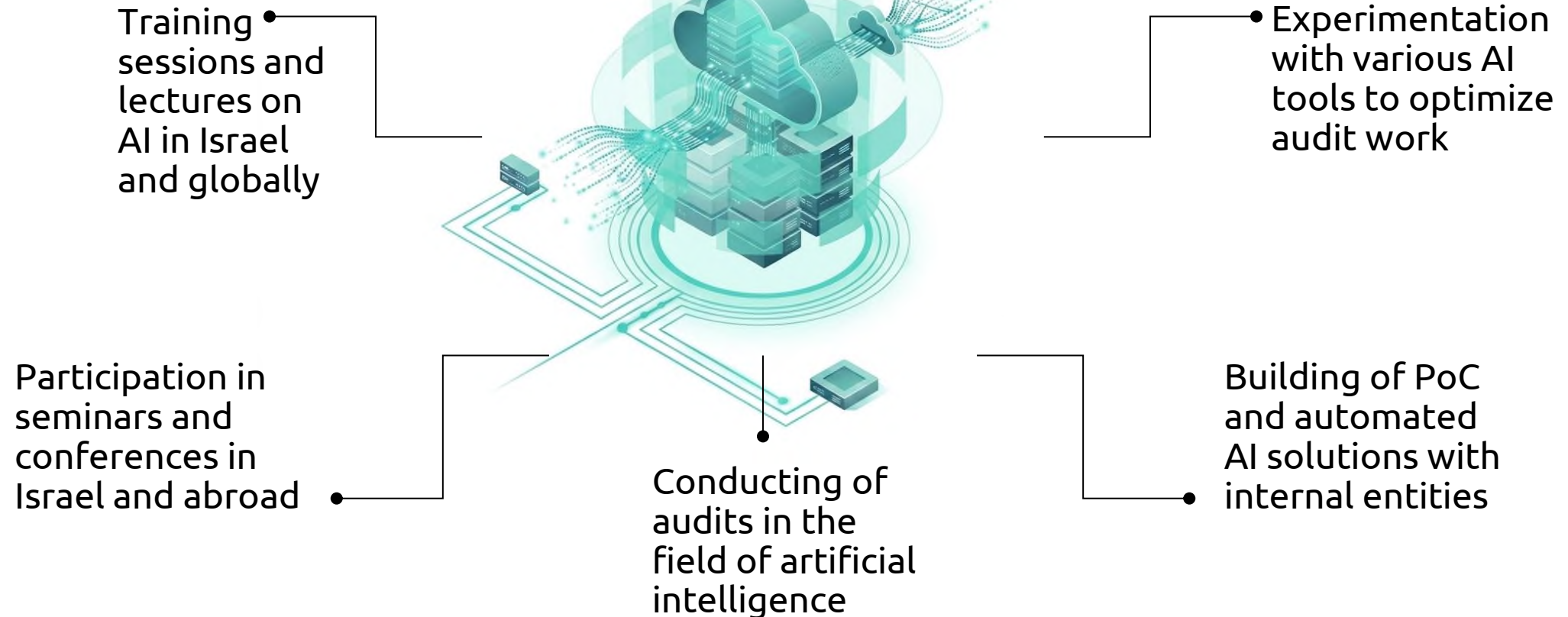
AI provides technological, managerial, professional and financial opportunities that can be integrated into audit work:

Creates new advanced tools, saves time, increases efficiency and monitoring.

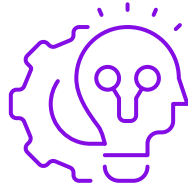
Such **opportunities** also involve various **challenges**: maintenance complexity, technology dependency, limited oversight, potential for professional loss and increased costs for training and data protection.



Incorporation of AI into SAI Israel



Key Considerations



Prompt Engineering

AI as Augmented Intelligence

Choosing the right tools

Evaluation of AI insights

Security and Confidentiality

A shift in mindset in developing new auditing skills

01

Training

Dedicated training and competency maintenance mechanisms

02

Occupation analysis

Job analysis and structured development pathways

03

Trend mapping

Mapping global trends

04

Risks

Assessment of national risks

05

Strategy

Familiarity with the government strategy

Impact on Audit Work

Increased Efficiency and Accuracy

Advanced Data Analysis

Real-time Monitoring and Fraud Detection

Enhanced Risk Management





Impact on Areas of Audit and Audited Bodies

Improved Compliance and Regulatory Adherence

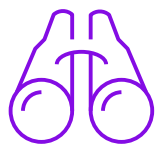
Empowered Decision-Making

Increased Transparency and Accountability

Optimized Resource Allocation

How is the Government of Israel initiating and implementing a national strategy to ensure its integration among leading countries, and will its actions in the field of artificial intelligence lay the groundwork for Israel's development and leadership as a scientific and technological powerhouse?

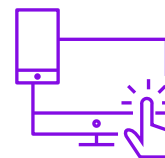
National preparedness in the field of artificial intelligence



Coordinating
Entity



Actual
Implementation



Strategic Plan

National Preparedness in the Field of Artificial Intelligence

2018

National Initiative

An initiative to formulate a national program to strengthen Israel's scientific-technological national security, involving hundreds of experts from academia, industry, the defense establishment, and government ministries, who operated voluntarily

2020

Telem Committee Plan

A professional review committee to examine the need for governmental involvement in advancing the field of artificial intelligence and data science, focusing on human capital, physical infrastructure, access to data repositories, and the transfer of knowledge from academia to industry

2021

Phase I

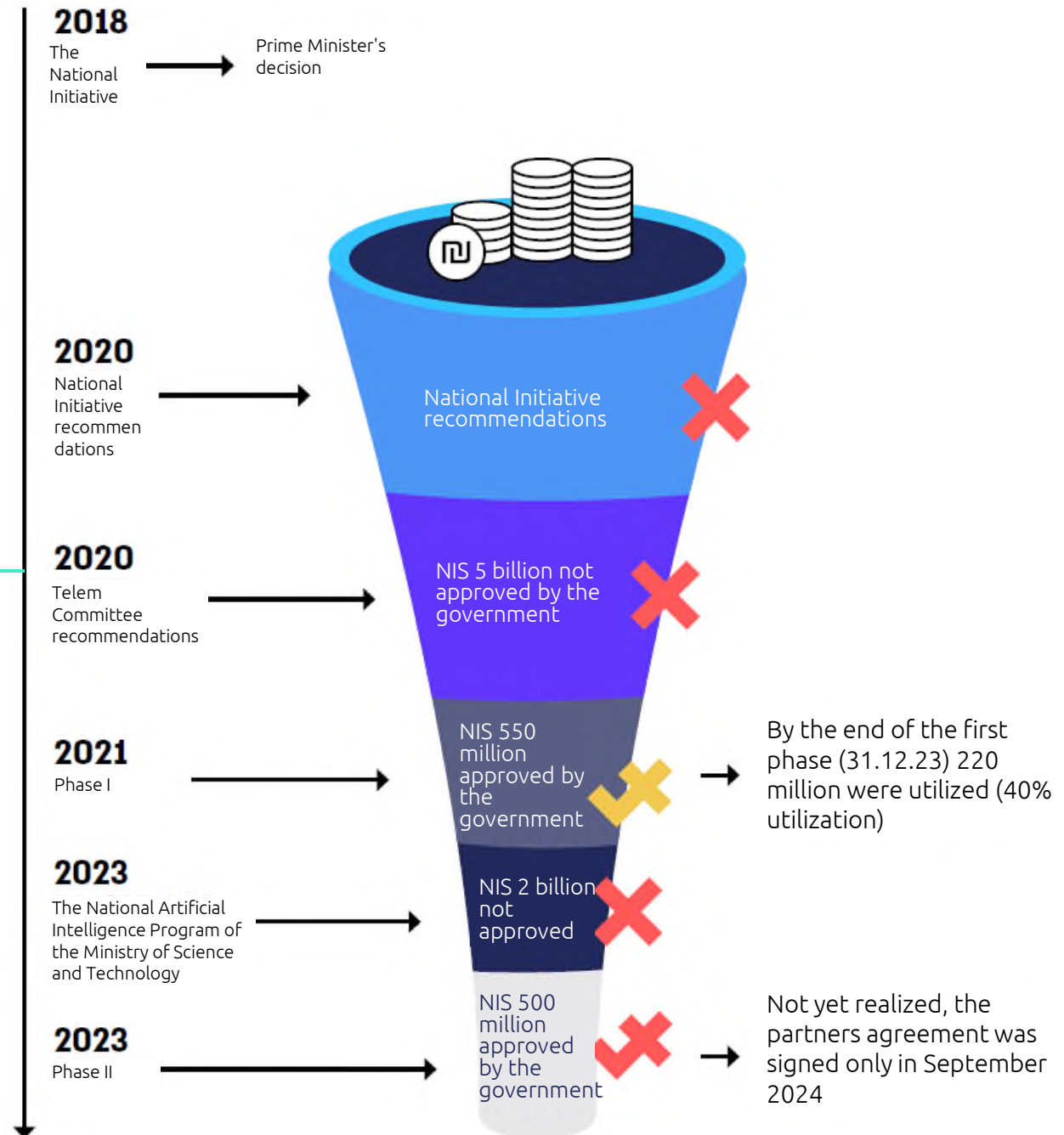
Government Decision 212 on the subject: "A plan to promote innovation, encourage the growth of the high-tech sector, and strengthen technological and scientific leadership."

2023

Phase II

Government Decision 173 on the subject: Strengthening Israel's Technological Leadership

National preparedness in the field of artificial intelligence



Key Recommendations

- Adherence of the Ministry of Innovation to the government's resolutions and conclusions regarding collaboration with the National Security Council, in order to lead the government's AI policy.
- Collaboration between the Ministry of Innovation and the Innovation Authority in the signing of requisite computing infrastructure agreements.
- Collaboration between the Ministry of Innovation, the Directorate of Defense, Research & Development, and the National Digital Agency, to develop and integrate Hebrew and Arabic LLMs.
- Determination of AI research faculty needs; examination by the Planning and Budgeting Committee of alternative recruitment solutions.
- Establishment by the Innovation Authority and the Planning and Budgeting Committee of data-driven controls to assess scholarship impact on AI talent.
- Investigation by the Ministry of Innovation of gaps in human capital program execution, to ensure comprehensive implementation in subsequent phases.
- Collaboration between the Ministry of Innovation and the Ministry of Justice in updating regulatory principles in line with international standards.
- Implementation by the Ministry of Innovation of Phase II of the government resolution.
- Integration by the Ministry of Innovation and the Ministry of Education of AI education that boosts data literacy.

National Committee for Accelerating Artificial Intelligence (Nagel Committee)

Key Components of the National AI Plan

- Establish a national AI headquarters reporting to the Prime Minister, with regulatory and executive authority.
- Build a state-owned national supercomputer (60,000 GPUs within 2–3 years), with at least 50% allocated to academia.
- Invest in human capital: excellence programs from high school through PhD, and incentives to bring talent back from abroad.
- Develop a dedicated national energy plan for AI, including server farms in the periphery.
- **Proposed budget:** NIS 5 billion per year for five years (total NIS 25 billion).

Timeline



Government Resolution 3375 – National AI Headquarters

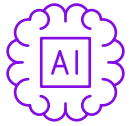
- Establishment of a support unit in the Prime Minister's Office, with an initial budget of NIS 120 million (2025-2026)
- **Core mandate:** Formulate a multi-year national AI plan within 120 working days

Three main axes:

- 1** Recruitment of high-quality human capital in the field.
- 2** Development of advanced computing infrastructures.
- 3** Deployment of AI across government services.

Appointment of Chief of Staff with experience in military intelligence and digital transformation.

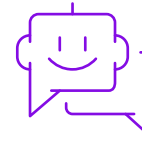
Ministry of Education Declares 2025 as the Year of AI



The Ministry of Education developed teacher training and innovative lesson plans to make AI accessible to all students and teachers across Israeli society.



Over 400 leading tech companies (including Google, Microsoft, Apple, and Nvidia) partnered with the ministry to train ~3,000 mentors who supported schools in implementing AI tools.



New tools include: **Q** (AI coaching bot), **Bina** (secure Gemini-based chat), **Magic School** (lesson planning and assessment), and **Minecraft** adapted for younger students.

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THREE MAIN AXES:

1

Recruitment of high-quality human capital in the field.

2

Development of advanced computing infrastructures.

3

Deployment of AI across government services.

Appointment of Chief of Staff with experience in military intelligence and digital transformation.

Summary

In 14 months (Nov 2024-Jan 2026), Israel moved from no approved AI strategy to concrete government decisions, including a lead body and initial budget.

With key recommendations in place, the focus now shifts to implementation: strengthening engineering capacity, advancing legislation, and securing long-term funding.

Nov 24

State Comptroller's Report

Nov 24

Nagel Committee Report

Sep 25

Resolution 3375

Dec 25-Jan 26

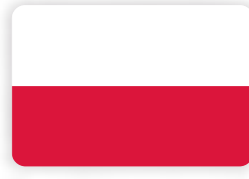
Expected formulation of a multi-year plan



Parallel Audit on Artificial Intelligence

**Mr. Matanyahu Englman, State Comptroller
of Israel and EUROSAI President**

12 Countries



Timeline



START

12 ONLINE MEETINGS



March 2024

SG1 Meeting
ToR Presentation

**Professional
Lectures**

STKI
Oxford Insights
Dr. Tzezana Roey
Prof. Sefidanis

**AI Tools for
Auditors**

Using AI Tools Correctly
Use Cases in Audit work
ChatGPT
Perplexity
NotebookLM

**SAI
Lectures**

SAI Israel
SAI Norway
SAI Switzerland

**Audit
Progress**

Voting on audit topics
Expanding into audit
questions
Roundtables
Findings & Drafts

February 2026

AI Conference
Abu Dhabi

Challenges



Multiple Jurisdictions

Federal vs.
Regional

Hierarchies of
Audit Bodies

Mandates



Coordinating diverse contexts, definitions and submissions formats



Not the usual audit report

Performance

Compliance

Financial

9 Topics

Deliver

Governmental Projects
Human Capital
NLP

Prepare

Infrastructure
Digital Maturity
Information Security

Plan

Strategic Plan
Budgets
Regulatory



Expanded Into
92 Audit Questions

Products

01

Individual Audit
Reports

02

Comparative
Audit
Report

03

AI Audit
Methodology for
Future Audits

The EUROSAI Parallel Audit on Artificial Intelligence was completed at the end of March 2026, with the publication of a comprehensive consolidated report, marking an important milestone in international public-sector auditing cooperation.



Audit Process Conclusions

01

Numerical
Comparisons

02

Open Ended
Questions

03

Findings
Format

04

Participants
Engagement

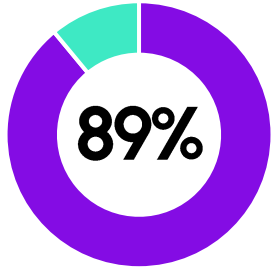
05

Ongoing
Interaction

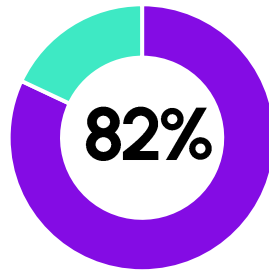




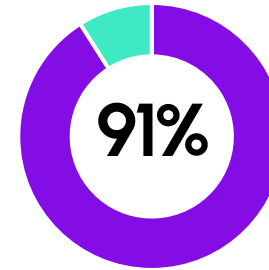
National Strategic Plan



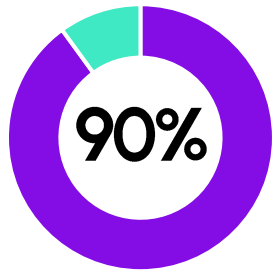
identify ***governance and strategy*** as the make-or-break factor for AI success



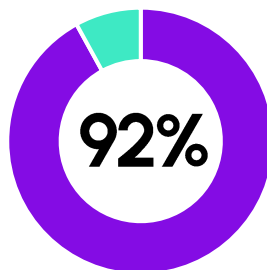
see ***strengthening governance and strategic coordination*** as the way to address challenges



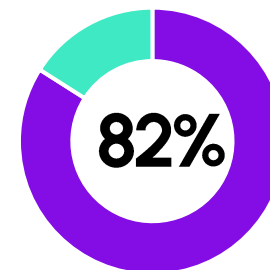
set goals to ***raise public awareness and understanding of AI***



prioritize an ***ecosystem approach*** - coordinating government, industry, and academia



identify ***skills shortages*** as the main barrier to AI adoption



place ***talent development*** at the center of national AI success



Conclusions

Clear leadership, cross-government coordination, measurable targets, and OECD-aligned governance turn AI from ambition into repeatable public value.

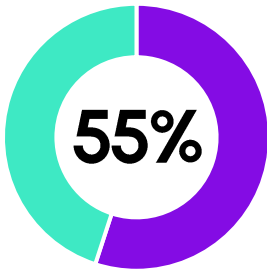
When talent, legal data foundations, or outcome measurement are missing, pilots stay fragile.



Recommendations

- › Make the strategy operational with clear leadership, coordination, and measurable targets.
- › Prioritize investment in human capital, data foundations, and shared infrastructure.

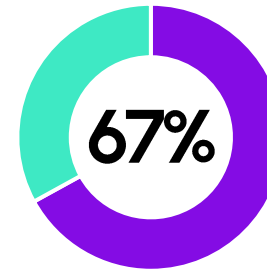
Budgets



report ***no separate, consolidated AI budget exists***

Funding Is Often Distributed Across:

- › Digital Transformation
- › ICT Modernization
- › Innovation and Sectoral Programs
- › Ministerial Budgets
- › External (EU Funds)



Use ***EU and international public funding programs*** as an alternative funding model



Conclusions

Outcomes depend more on budget structure than budget size.

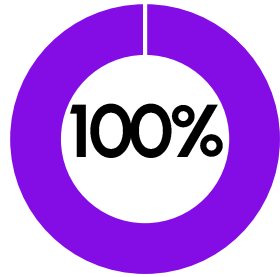
Fragmented funding weakens transparency and accountability, while coherent multi-year frameworks help investment translate into delivery.



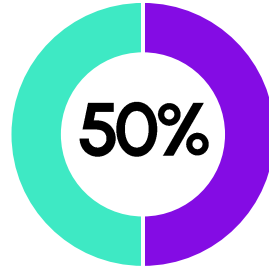
Recommendations

- › Define what counts as AI spend, consolidate it across ministries, and track external funding too.
- › Use multi-year budgeting so spending drives delivery and outcomes.

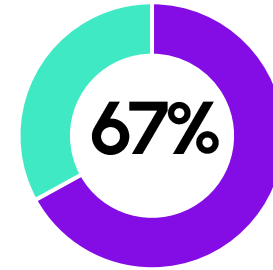
Regulatory Guidelines



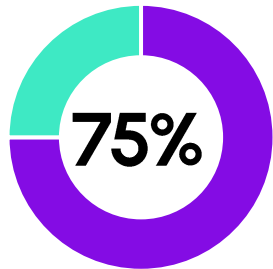
Have a ***dedicated Body Responsible for AI Regulation***



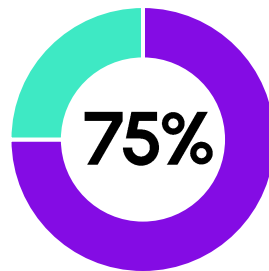
Have published ***AI regulatory guidelines***



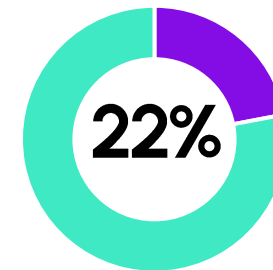
Align with ***OECD principles*** for trustworthy AI



Emphasize ***transparency and accountability, and human-centered safeguards*** as core regulatory principles.



report ***guidelines that address bias, discrimination, and privacy*** exist

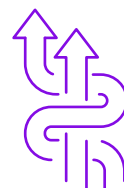


require ***bias audits*** before deployment



Opportunities

- › Harmonized regulatory environment
- › Safer, more ethical AI use
- › Innovation support and access to international funding



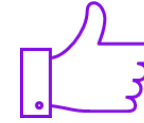
Challenges

- › Keeping oversight aligned with fast-moving technology
- › Coordinating EU rules with national governance
- › Uncertainty around implementing and guidance
- › Talent shortages
- › market-access barriers and reduced national business attractiveness



Conclusions

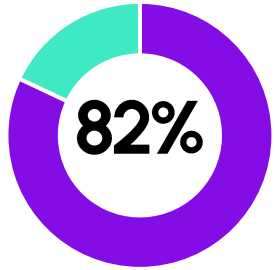
Principles exist, but operational assurance often lags.
The difference is whether OECD/EU anchors become practical tools and enforceable controls, or remain intentions.



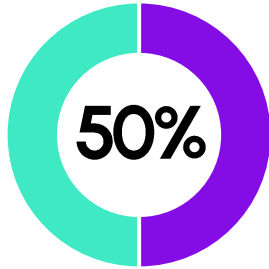
Recommendations

- › Publish practical rules with pre-deployment checks, lifecycle monitoring, and clear accountability.
- › Manage EU AI Act readiness as a whole-of-government implementation effort.

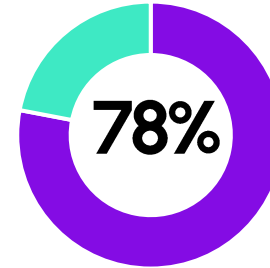
Infrastructure



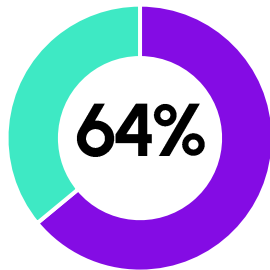
report ***national initiatives to develop AI infrastructure***



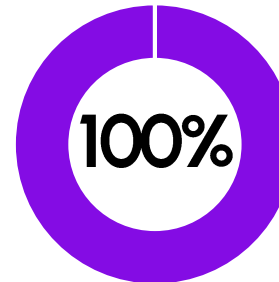
Report that these initiatives are ***already implemented***



Identified compute infrastructure such as ***HPC and supercomputers*** as the most common investment



Report having a ***national cloud infrastructure***

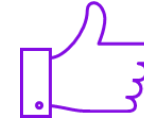


Rely on ***third-party providers*** for cloud infrastructure



Conclusions

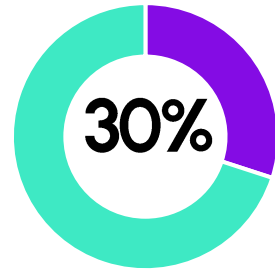
- Government AI increasingly runs on hybrid cloud and external providers, raising the stakes for procurement, security, and accountability governance.
- Inconsistent compute metrics make readiness hard to assess or compare.



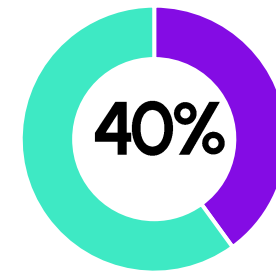
Recommendations

- Manage compute as a national resource with demand forecasting and unified governance across cloud, HPC, and vendors.
- Use controlled testbeds to validate solutions before scaling.

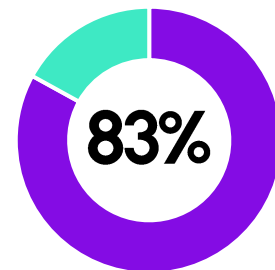
Information Security



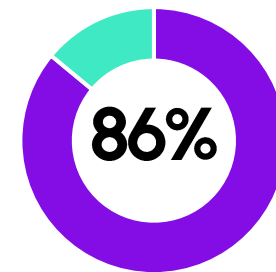
Have ***mandatory cybersecurity protocols and training programs for staff involved in AI projects***



Report having ***AI data privacy policies or regulations***



Reported ***zero cybersecurity incidents***
in the past year



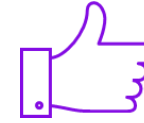
Identify ***data leakage and unauthorized access***
as the main security risk



Conclusions

Strong security comes from lifecycle controls backed by governance, traceability, and enforceable accountability.

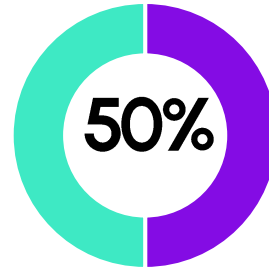
This is critical in cloud, hybrid, and vendor-led delivery.



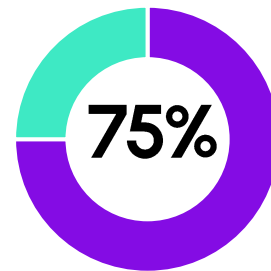
Recommendations

- › Set mandatory AI security baselines with role-based training and lifecycle controls.
- › Require traceability and audit trails to enforce accountability in hybrid and vendor-led delivery.

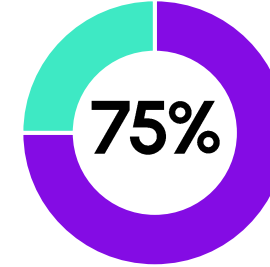
Digital Maturity



Have a ***national data strategy*** in place



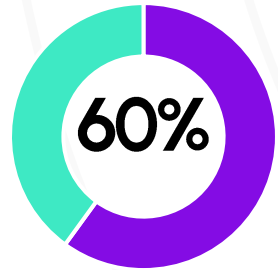
Identify ***regulatory and governance constraints*** as the main barrier to data sharing across ministries



Key Objectives in Governmental Data Strategies:

- › Open data and transparency
- › Data ecosystem that support innovation and economic value
- › Trusted foundations for reuse at scale
- › Stronger data governance and institutional enablement

Data Lake



Have initiatives
to build a
***governmental
data lake***



Benefits

- › Stronger data-driven government
- › Better service delivery and citizen outcomes
- › Openness and transparency
- › Improved data quality



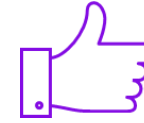
Challenges

- › Adoption and data maturity gaps
- › Governance and legal-policy readiness
- › Capacity and resource constraints
- › Cybersecurity risk



Conclusions

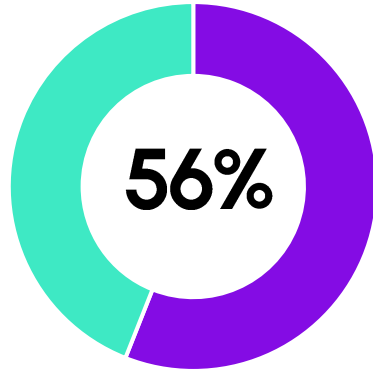
Digital maturity means safe, predictable data reuse across government - not more platforms. Weak governance, interoperability, and slow legal processes limit measurable cross-ministry impact.



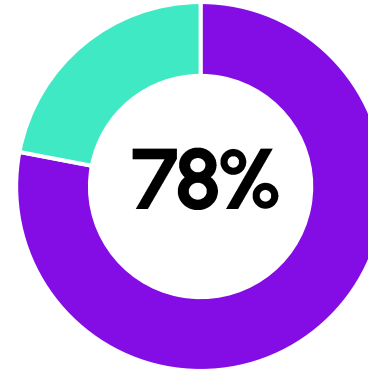
Recommendations

- › Align strategy, sharing rules, and accountability to make data reuse routine.
- › Scale data lakes only with a clear operating model, phased onboarding, and embedded safeguards.

Governmental Projects



reported ***not having mechanisms to assess impact and effectiveness*** of AI project outcomes



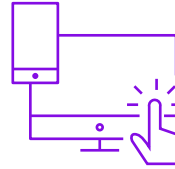
reported ***productivity gains have been observed*** from implementing AI systems

Governmental Projects



Sectors

- › Finance and Economy
- › Interior and Public Safety
- › Critical Infrastructure
- › Justice
- › Culture and Heritage
- › Labor and Social Services
- › Environment



Applications

- › Virtual Assistants
- › Document and Text Processing
- › Finance, Tax, Customs, And Market Supervision
- › Justice and Courts

Governmental Projects



KPIs

- › Productivity and Efficiency
- › Adoption
- › User Experience
- › Service Quality
- › Operational and Technical Readiness
- › Model Performance



Observed Productivity Gains

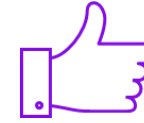
- › Time and workload reduction
- › Quality improvement
- › Service delivery improvements
- › Cost savings
- › HR savings



Conclusions

AI projects scale fastest under operational pressure, but progress stalls without portfolio coordination and consistent evaluation.

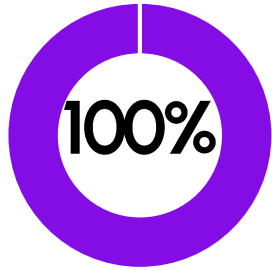
Leading countries prove value comparably, reuse solutions, and embed sustainability and security early.



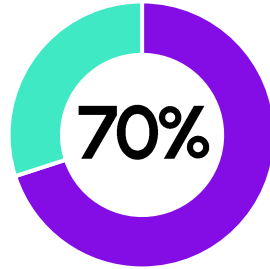
Recommendations

- › Maintain an updated AI project map with risk-based documentation and controls.
- › Standardize evaluation and promote reuse to improve scalability and consistency.

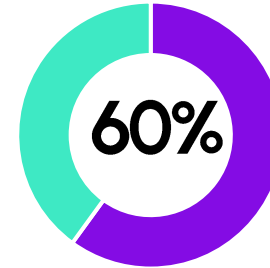
Human Capital



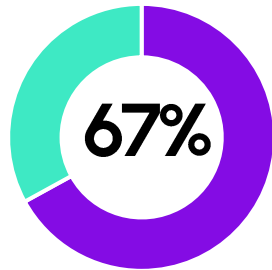
Report a **shortage of AI experts in industry**



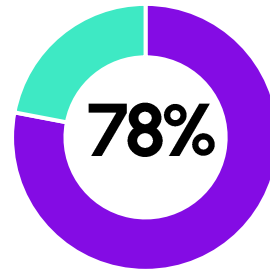
Report a **shortage of AI researchers in academia**



Of governments are directing staff to **further education and training in AI**



reported AI skills are being integrated into **higher education programs** to prepare students for future job markets.



Reported **capability-building measures** (training and targeted reskilling) **to bridge the AI skills gap in the government workforce**



Conclusions

Talent and stewardship capacity are the main constraints, beyond purely technical skills.

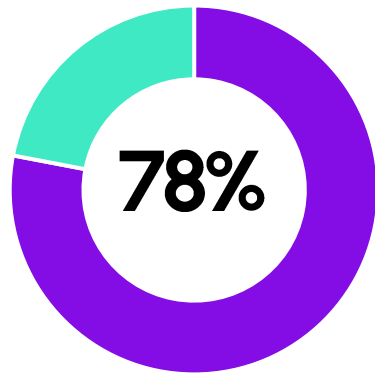
Faster movers build role-based capabilities, support networks, and retention to keep oversight inside government.



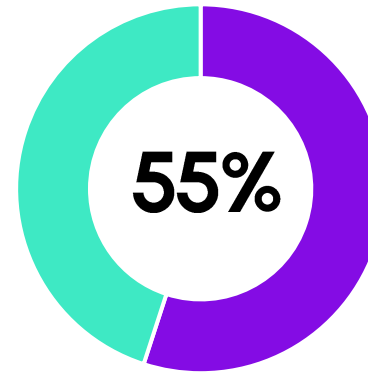
Recommendations

- › Build role-based capability programs that connect education, training, and ministry needs.
- › Strengthen recruitment, retention, and support networks to keep oversight in government.

Natural Language Processing



Have a local **NLP model**



Develop the models with the
help of external providers



Conclusions

External and hybrid NLP can accelerate progress, but only with clear lifecycle ownership and strong vendor oversight.

Otherwise, governments risk losing control over performance, updates, and autonomy.



Recommendations

- › Build local-language NLP as a shared national capability with sustainable operations.
- › Require full lifecycle responsibility from providers and monitor performance to scale consistently.



Thank You for Your Attention