



July 7, 2023

Office of Science and Technology Policy
Executive Office of the President
Eisenhower Executive Office Building
1650 Pennsylvania Avenue
Washington, DC 20504

RE: IIA Comments Regarding “National Priorities for Artificial Intelligence”

Dear Director Prabhakar:

On behalf of The Institute of Internal Auditors (The IIA), the international professional association representing over 235,000 internal auditors, I appreciate the opportunity to comment on the Office of Science and Technology Policy’s (OSTP) request for information entitled, [“National Priorities for Artificial Intelligence.”](#)

For over 80 years, The IIA has aided sound governance and risk management efforts in public- and private-sector organizations, encouraging strong internal controls and an enterprise-wide approach.

According to a recent survey of chief audit executives published by The IIA, 78% of respondents acknowledged that cybersecurity constituted a “high” or “very high” risk to their organization.¹ The proliferation of artificial intelligence (AI) represents one of the most significant cybersecurity risks confronting the modern global economy.

As companies from all industries and sectors race to harness the potential power of this emerging technology, it is evident the development of a coordinated national strategy is necessary to accomplish three primary objectives:

- Promote responsible innovation
- Institute processes for effectively identifying and mitigating potential AI-related organizational risks
- Establish appropriate internal controls and independent oversight frameworks

Due to the internal audit profession’s central role in evaluating risk and executing oversight, The IIA believes it is imperative for organizations – specifically those utilizing AI to process consumer and financial data – to possess a robust internal audit function.

The presence of an expert internal audit function – operating in conformity with the *International Standards for the Professional Practice of Internal Auditing* – ensures objective assurance over AI-related risk management and internal control processes. Moreover, the existence of an internal audit function is widely considered a corporate governance essential practice for promoting organizational transparency and accountability. For example, the New York Stock Exchange (NYSE) requires all registrants to have an internal audit function, stating:

¹ “2023 North American Pulse of Internal Audit: Benchmarks for Internal Audit Leaders,” *The Institute of Internal Auditors*, March 2023

Listed companies must maintain an internal audit function to provide management and the audit committee with ongoing assessments of the listed company's risk management processes and system of internal control, (Section 303A.07(c) of the NYSE Listed Company Manual).

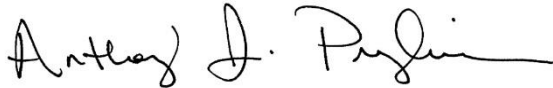
As AI systems continue to evolve and become more sophisticated, internal auditors must – and will – remain at the vanguard in assessing risk and internal controls designed to protect the public interest.

Consequently, The IIA encourages OSTP and other Federal agencies to utilize the expertise of internal audit as a resource in the development of a comprehensive national AI strategy.

Should you or your staff have any questions regarding this matter or wish to discuss ways in which the internal audit profession can support your work, please contact Michael Downing, IIA Senior Director for U.S. Advocacy, at Michael.Downing@TheIIA.org.

Thank you for your consideration of our comments.

Sincerely,

A handwritten signature in black ink that reads "Anthony J. Pugliese". The signature is fluid and cursive, with a long horizontal stroke at the end.

Anthony J. Pugliese, CIA, CPA, CGMA, CITP
President and Chief Executive Officer
The Institute of Internal Auditors