The Institute of Internal Auditors
Elevating Impact

August 11, 2026

The Honourable Evan Solomon, M.P.
Minister of Artificial Intelligence and Digital Innovation
Innovation, Science and Economic Development Canada
C.D. Howe Building
235 Queen Street
Ottawa, ON K1A 0H5, Canada,

RE: Advancing Standardized Artificial Intelligence Safeguards to Protect Canadians

Dear Minister Solomon,

On behalf of The Institute of Internal Auditors (The IIA), the international professional association representing more than 265,000 members worldwide, including more than 8,200 in Canada, I am writing to express The IIA's perspective on the recently released *National Artificial Intelligence Strategy: AI for All* and to recommend a governance measure that would support implementation of its first pillar.

While artificial intelligence (AI) has the potential to deliver significant economic and societal benefits, The IIA believes it is vital that governments establish clear, proportionate, and effective safeguards supporting the development and use of emerging technologies. Pillar 1 of *AI for All* acknowledges this policy imperative, stating, in relevant part:

> *Building trustworthy and reliable AI needs a safety-first approach grounded in law. Many Canadians are concerned about how AI may affect their privacy, fairness, and safety*.

The need for effective AI safeguards is not limited to the private sector. The Government of Canada must also recognize the importance of establishing sound internal control and risk management processes to protect Canadian taxpayers from the emerging threats and risks of AI.

Therefore, as the Government develops the policies necessary to implement the principles outlined in *AI for All* – specifically with respect to Pillar 1 – The IIA recommends establishing a government-wide **Directive on Internal Audit for Artificial Intelligence**. The implementation of a consistent, government-wide approach to independent assurance over AI technologies will strengthen governance, promote collaboration across organizations, and help ensure that regulatory oversight remains balanced, effective, and risk-based.

A Directive on Internal Audit for Artificial Intelligence would provide federal departments and agencies deploying AI systems with a consistent framework to:

- Identify, assess, and mitigate AI-related risks.
- Design, implement, and maintain effective internal controls over AI systems and their use.
- Obtain independent assurance on the effectiveness of AI governance, risk management, and control processes.
- Promote transparency, accountability, and public confidence in the responsible use of AI.

Moreover, The IIA believes that the proposed Directive would complement the Government of Canada's existing Policy on Internal Audit by establishing expectations specific to the governance, risk management, and assurance of artificial intelligence systems.

An internal audit function operating in accordance with The IIA's International Professional Practices Framework® (IPPF®) provides independent, objective assurance over an organization's governance, risk management, and internal control processes, including those relating to AI.

Because internal audit operates independently of management, maintains a direct reporting relationship to the governing body, and holds a comprehensive understanding of an organization's operations and risk profile, it is uniquely positioned to evaluate AI governance and control frameworks. This enables internal auditors to deliver practical, risk-based assurance that strengthens transparency, accountability, and sound decision-making.

As the Government develops legislative and policy measures to support the responsible development, deployment, and use of AI systems, The IIA stands ready to contribute its expertise to promote transparency and accountability.

The IIA would welcome the opportunity to establish a dialogue and discuss how internal audit can support the objectives of Pillar 1 and contribute to a governance framework that enables innovation while protecting Canadians.

Should you have any questions or wish to discuss this further, please do not hesitate to contact Ryan Singh, Director of Advocacy (Canada), at Ryan.Singh@TheIIA.org.

Sincerely,

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