

October 28, 2025

AI Strategy Task Force
Innovation, Science and Economic Development Canada
C.D. Howe Building
235 Queen Street
Ottawa, ON K1A 0H5, Canada

RE: Advancing Artificial Intelligence Governance

Dear Members of the AI Strategy Task Force:

On behalf of The Institute of Internal Auditors (The IIA), the international professional association representing more than 265,000 members including more than 8,000 members in Canada, we appreciate the opportunity to contribute recommendations regarding the development of Canada's next artificial intelligence (AI) strategy.

The rapid proliferation of emerging technology, such as AI, has the potential to fundamentally transform Canadian industry. In his mandate letter to Cabinet, Prime Minister Mark Carney acknowledged this paradigm shift, stating that the Government of Canada (Government) will "become much more productive by deploying AI at scale¹."

Given the profound benefits AI may have on the nation's economy, it is critical that the Government establish clear and measured safeguards governing the application of this technology. The IIA supports such a balanced approach to ensure technological innovation while also protecting the Canadian public from potential AI-related risks.

Currently AI policy discussions generally focus on technological and legal issues, The IIA believes that a comprehensive AI strategy must also highlight the importance of good governance, strong internal controls, and risk management.

An emphasis on these essential practices will, in part, ensure organizations utilizing AI:

- Establish processes for effectively identifying and mitigating potential AI-related risks
- Establish appropriate internal controls and independent oversight

A critical component of any robust risk management analysis and one The IIA recommends should be recognized in the Canada's next AI strategy is the complementary role of an organization's internal audit function.

An internal audit function operating in conformity with the [International Professional Practices Framework](#)[®] is the function responsible for providing an organization's governing body with objective assurance over AI-related risk management and internal control processes. The work of internal audit

¹ Carney, Mark. "Mandate Letter." May 21, 2025. *Office of the Prime Minister*, <https://www.pm.gc.ca/en/mandate-letters/2025/05/21/mandate-letter>

promotes confidence among stakeholders due to its independence from management and direct reporting relationship to the organization’s governing body (i.e. board of directors).

The internal audit function leverages a deep understanding of the organization to conduct AI evaluations designed to promote transparency and accountability. This industry approach to AI oversight is important because it ensures the professionals performing assessments possess an intimate knowledge of the organization’s strategic goals, culture, and risk appetite. These powerful insights produce AI reviews that supply an organization with substantive and actionable information.

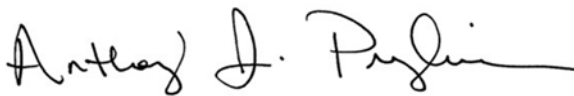
Rather than establish a traditional regulatory regime directing a specific government agency to audit AI operations, The IIA recommends that Canada’s AI strategy include provisions that will empower the private sector to execute this responsibility through internal audit. This commonsense approach for maintaining balanced oversight of AI activities will promote greater organizational collaboration and minimize the potential for regulatory enforcement overreach.

Specifically, The IIA recommends the AI Strategy Task Force address the following topics:

- 1) **Recognize the Significance of AI Risk Management and Governance:** The IIA supports a greater policy emphasis concerning the need for appropriate risk management and governance processes related to implementing and using AI in business operations.
- 2) **Strengthen Internal AI Oversight:** Utilize internal audit led assurance processes and reviews for evaluating an organization’s AI-related internal controls, risk management and governance structures. The presence of a qualified internal audit function will strengthen independent oversight efforts and increase consumer confidence.

As the AI Strategy Task Force examines safeguards for the use and deployment of AI systems, The IIA stands ready to support efforts for promoting organizational transparency and accountability. Should you have any questions regarding this matter, please do not hesitate to contact Ryan Singh, Director of Advocacy (Canada) at Ryan.Singh@theia.org.

Sincerely,



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