IOTA
Intra-European Organisation of Tax Administrations

BACKGROUND NOTE

IOTA Digital Workshop
Artificial Intelligence in Risk Analysis: Balancing Automation and Human Judgement

8-9 April 2026
Digital Meeting via Microsoft Teams

BACKGROUND

Artificial intelligence (AI) is changing how tax administrations detect non-compliance and target enforcement. AI-based risk-scoring and pattern-detection models can spot suspicious behaviour earlier, speed up processing of routine low-risk cases, and help allocate limited resources more effectively. Several tax administrations have piloted or implemented such systems, and report gains in efficiency and detection, but also face challenges: model bias, limited explainability, data quality and governance issues, legal limits on automated decisions, and the need to preserve taxpayer rights and public trust.

This digital workshop will bring together tax officials, data analysts and legal and ethical experts to share concrete experiences and practical lessons for integrating AI into risk analysis in ways that balance automation with human oversight, transparency and accountability.

OBJECTIVES

This digital workshop aims to strengthen member tax administrations' capacity to apply AI in risk analysis in an informed, responsible, and effective manner. Through shared experiences and practical insights, the workshop seeks to support administrations in building a sustainable collaborative network for continuous learning and joint development. The presentations will explore how AI models can support assessment of risk of non-compliance (missed reporting obligations, frequency of payment infractions), risk selection and enhance compliance management, while maintaining transparency, fairness, and legal certainty in automated decision-making.

The main objectives of the event:

- Present real-world experiences and best practices from tax administrations that have developed or piloted AI-driven risk assessment and risk-scoring systems.
- Identify key technical, organisational and legal requirements for safe and effective AI use in risk analysis, including data sources, model validation, performance monitoring and integration with existing casework processes.
- Explore governance approaches that ensure explainability, fairness and accountability, and that protect data privacy and taxpayers' procedural rights.
- Discuss how to design workflows that balance automated processing with expert-based manual review and escalation.

EXPECTED OUTCOMES

The expected outcomes of the digital workshop are as follows:

- A concise overview of data inputs, modelling approaches and system architectures used in AI-supported risk analysis, including considerations for data quality and linkage.
- Practical lessons and case examples showing how to combine model outputs with human judgement in selection, triage and case handling, including thresholds for automatic processing and escalation criteria.
- A set of governance principles and operational controls for explainability, bias mitigation, auditing and continuous monitoring of AI models.
- Guidance on legal and ethical safeguards, covering transparency toward taxpayers, documentation requirements, requirements for human oversight, and compliance with data protection rules.

METHODOLOGY

The event will be a combination of presentations, Q&A sessions, and discussions in plenary and in breakout groups. As the event is being held digitally, there is no limit to the number of participants who can attend the sessions of this IOTA digital workshop.

The participants will have the opportunity to raise questions and explore the topic further during the Q&A sessions.

The group discussion session will offer an opportunity for the participants to reflect on their own experiences, share their approaches, discuss problems, and consider solutions to any outstanding issues through a free exchange of information.

On the last day of the event, an open debate session will summarise the outcomes of the event.

TARGET AUDIENCE

The digital workshop is aimed at tax officials from IOTA member countries who are specialised or have a strong interest in risk analysis/management, data science/advanced analytics, and the regulatory area governing AI (e.g. ethics, GDPR), with a focus on the risk analysis area.

REQUIRED INPUT

Please note that it is not possible to provide any interpretation facilities, and IOTA expects that all participants will have sufficient language skills for active participation in English.

Aiming to meet the outcomes of the digital workshop, the participants registered for the group discussion(s) should ensure their commitment to active participation.