



IOTA Digital Workshop

Artificial Intelligence in Risk Analysis: Balancing Automation and Human Judgement

8-9 April 2026

Digital Event via Microsoft Teams

GROUP DISCUSSION SESSION “Challenges and lessons learned for efficient deployment of AI solutions in risk analysis”

Thursday, 9 April 2026, 10:45 - 12:00 (CET)

AIM

The group discussion session will provide participants with the opportunity to:

- Exchange **practical experiences** on AI in tax risk analysis
- Explore key pinpoints and lessons learned for **balancing AI-driven automation and human decision-making**
- Identify **good practices in governance, transparency, and oversight**.

Group discussions will aim to surface practical recommendations that participants can apply in their own work, such as implementation challenges and possible future developments of AI solutions in risk analysis, mapping the workflow to integrate model outputs into the current selection and triage process, and lessons learned for balancing AI-driven automation and human decision-making.

FORMAT

The session is intended as a facilitated group discussion. The delegates will be split into discussion groups. The composition of the groups will be published on [the IOTA event's dedicated webpage](#) once the registration process closes. Each group will have a designated breakout room, and the members will be guided by the IOTA Secretariat to join the dedicated group.

The chairperson will be responsible for moderating the discussion. Chairpersons are not expected to be experts who can answer every question. The chairpersons should guide the conversation among the group members and contribute to their questions and views, too.

Notes from the group discussions will be generated automatically by Microsoft Copilot tool, reviewed and used for the plenary presentation, in Power Point format. The chairperson will still report the group summary and conclusions at the plenary session and can delegate the reporting role to a volunteer in the group.

TIMING

- Technical check and introduction (5 minutes)
- Group discussion on the following questions (60 minutes)
- Summary and finalising the feedback from the discussion (10 minutes)



REQUIRED INPUT

The participants will discuss the following topics:

- I. **Is AI currently used in your tax administration for risk analysis? If yes, in what way? Please shortly answer the question (about 1 minute).**
- II. **Case study scenario and discussion questions**

The participants will discuss the following case scenario and debate the related questions.

- **Presentation of the case study**

Title: AI system detecting hidden income from third-party data

Scenario:

A tax administration introduces a **new AI-based risk analysis system** developed to detect underreported income by analysing multiple third-party data sources.

The system integrates data as: bank transactions, payment platforms, property ownership records, social media etc.

The AI model identifies taxpayers whose transaction and lifestyle patterns appear inconsistent with declared income.

After one year, the system identifies x cases of undeclared income, and recovered revenue increases by y%.

Though, there are concerns related to:

- False positive (for example family transfers)
- Data quality problems (incomplete or outdated information)
- Operational limitations (reduced number of auditors to oversee analysis and system reports)
- Taxpayer complaints (social media surveillance, data privacy, automation versus human review).

- **Discussion questions**

The participants will discuss how should tax administrations use AI tools for analysing large datasets from various sources while ensuring privacy, trust and security.

Suggested questions for discussion:

- What standards should apply to **data quality and reliability**?
- How should auditors **validate AI-generated risk signals**?
- Should AI-generated alerts always be **reviewed by a human before action is taken**?
- How should tax administrations detect and mitigate **algorithmic bias** in risk models?
- What **skills** are needed for auditors to interpret data-driven risk signals?
- Should taxpayers have the right to **know if AI was used in selecting them for audit**?
- How much transparency is appropriate without compromising **fraud detection methods**?



- What **governance structure** should exist:
 - AI oversight committee?
 - Independent review?
 - Model validation team?

- **Recommendations summary**

The participants will prepare:

- One policy/regulation recommendation
- One technical/operational safeguard
- One organisational measure

III. Reporting in the plenary session

- Main findings based on the discussion questions
- Recommendations
- Key concerns/experiences/outcomes