



OFFICE OF THE STATE COMPTROLLER
AND OMBUDSMAN OF ISRAEL

Advanced Applications, Performance Auditing and Innovative Tools in Modern State Auditing

Combining Innovation With Credibility

Matanyahu Englman - EUROSAI President & The State Comptroller of Israel

Dr. B. R. Ambedkar Lecture Series and Heads of Supreme Audit Institutions meeting | June 2026

AI Toolkit for State Auditors at a Glance



Machine Learning (ML): Algorithms that detect patterns in data to make predictions or decisions without being explicitly programmed.

Cognitive Task: Pattern Detection



Deep Learning (DL): A subset of ML that utilizes multi-layered neural networks to process complex data.

Cognitive Task: Complex Processing



Large Language Models (LLMs): Systems engineered to process, understand, and generate human-like text based on patterns within massive datasets.

Cognitive Task: Comprehension & Generation



Computer Vision (CV): A field of AI focused on analyzing and extracting meaningful information from digital images and videos.

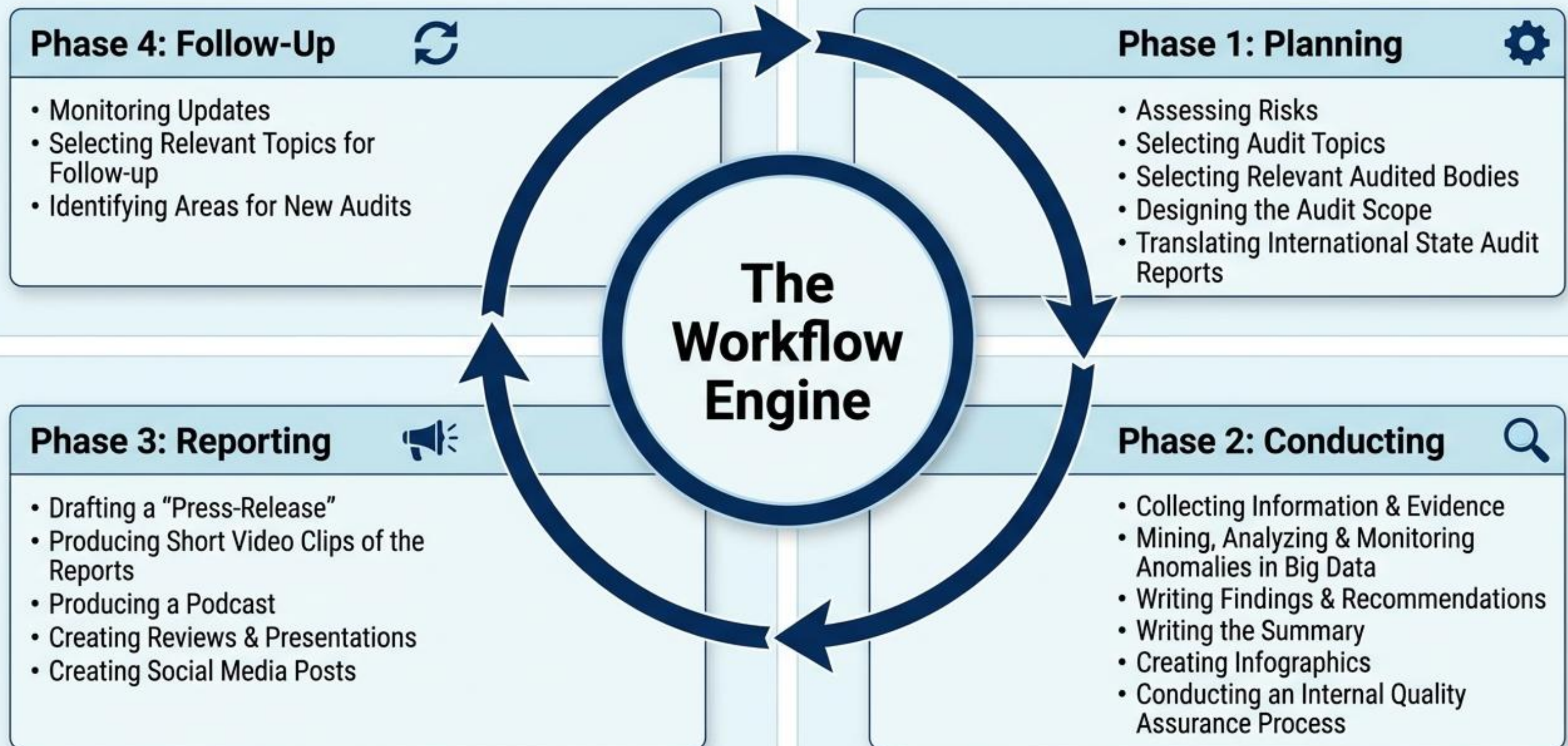
Cognitive Task: Visual Observation



Reinforcement Learning (RL): A behavioral learning method where an autonomous agent improves through trial and error, guided by rewards and penalties.

Cognitive Task: Autonomous Optimization

The Audit Process



Case Study: Planning Acceleration



Input: OECD Economic Surveys: Israel 2025



Prompt Engine

Role: Senior Auditor at the State Comptroller's Office of Israel.

Task: Based on this document, identify and map out 3 key areas most critical and suitable for a State Comptroller audit.



1. Public Investment & Infrastructure Management

Chronic inefficiencies in project selection and planning delays stifling growth.



2. Educational Outcomes & Labor Market Integration

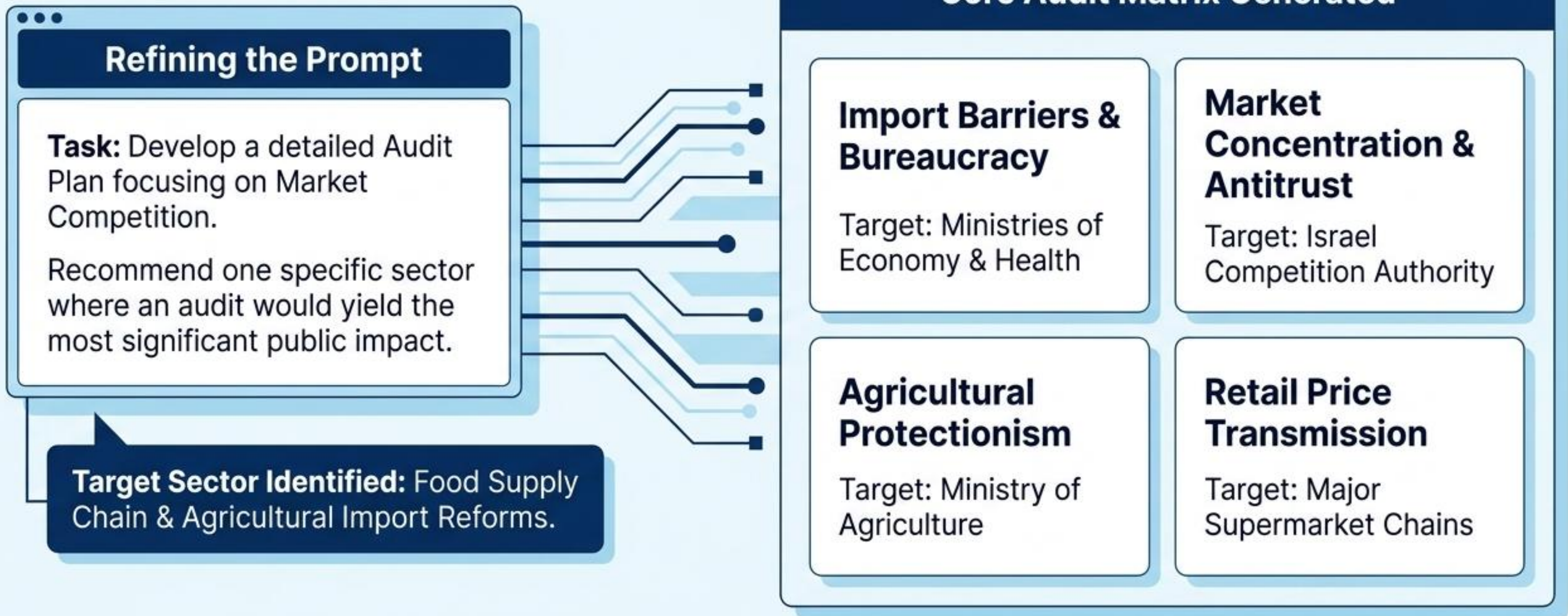
Structural barriers and achievement gaps among Ultra-Orthodox and Arab-Israeli sectors.



3. Market Competition & Cost of Living Drivers

High consumer prices driven by complex regulatory 'red tape' and non-tariff trade barriers.

Deep Dive: Generating The Audit Plan



Conducting the Audit: Big Data Anomaly Detection

Context

Action

Utilizing AI to analyze complex, multi-national economic datasets and cross-reference international price indices.

Capability

Real-Time Big Data Anomaly Detection.

Insight

Instant identification of statistical anomalies to bypass manual data mining and optimize the process.

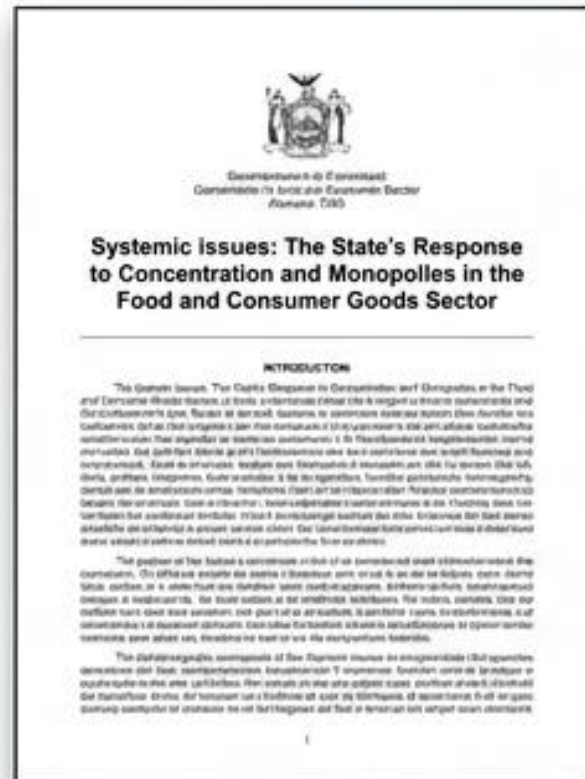
Visual Evidence

Analytical categories	Gross Domestic Product		Actual individual consumption		Food and non-alcoholic beverages		Food		Cereals and cereal products		Live animals, meat and other parts of slaughtered land animals		Fish and other seafood		Milk, other dairy products and eggs		Oils
	2022	2023	2023	2024	2023	2024	2022	2023	2023	2024	2022	2024	2022	2024	2023	2024	2022
	2022	2023	2024	2024	2023	2024	2022	2023	2023	2024	2022	2023	2024	2024	2023	2024	2022
Base reference area: United States	1024	1068	1336	1079	180	127	93	111	85	95	87	82	80	78	81	82	33
Finland	30	30	38	38	60	60	21	20	25	16	34	40	28	20	25	17	12
France	25	14	43	48	60	60	17	17	16	15	15	11	14	12	15	11	12
Germany	140	168	230	226	120	120	141	131	143	138	136	141	115	134	123	110	83
Greece	27	28	48	40	45	40	15	18	26	37	40	45	48	42	27	21	13
Hungary	20	33	33	50	33	32	21	2							12		13
Iceland	6	9	1	5	4	3	5								7		2
Ireland	139	129	129	130	108	105	108	10							93		70
Israel	140	122	153	131	150	121	121	130	150	128	150	120	150	127	153	129	121
Italy	63	68	78	78	69	38	61	71	78	69	68	73	69	72	69	93	21
Japan	134	150	149	139	173	127	133	170	100	183	100	135	148	161	167	143	135
Korea	64	78	87	69	64	68	81	54	57	67	60	71	63	79	51	28	13
Latvia	53	77	50	73	93	78	71	50	80	69	54	64	57	66	69	27	4

Statistical Anomaly Detected: +150% vs EU Baseline

Real-Time Reporting & Visualization

INPUT



The Bottleneck: Turning complex systematic issues into public-facing media is slow and resource-intensive.

PROCESSING

The AI Prompt:

Create an infographic based on the summary of the State Comptroller's report that presents the main findings and key recommendations.

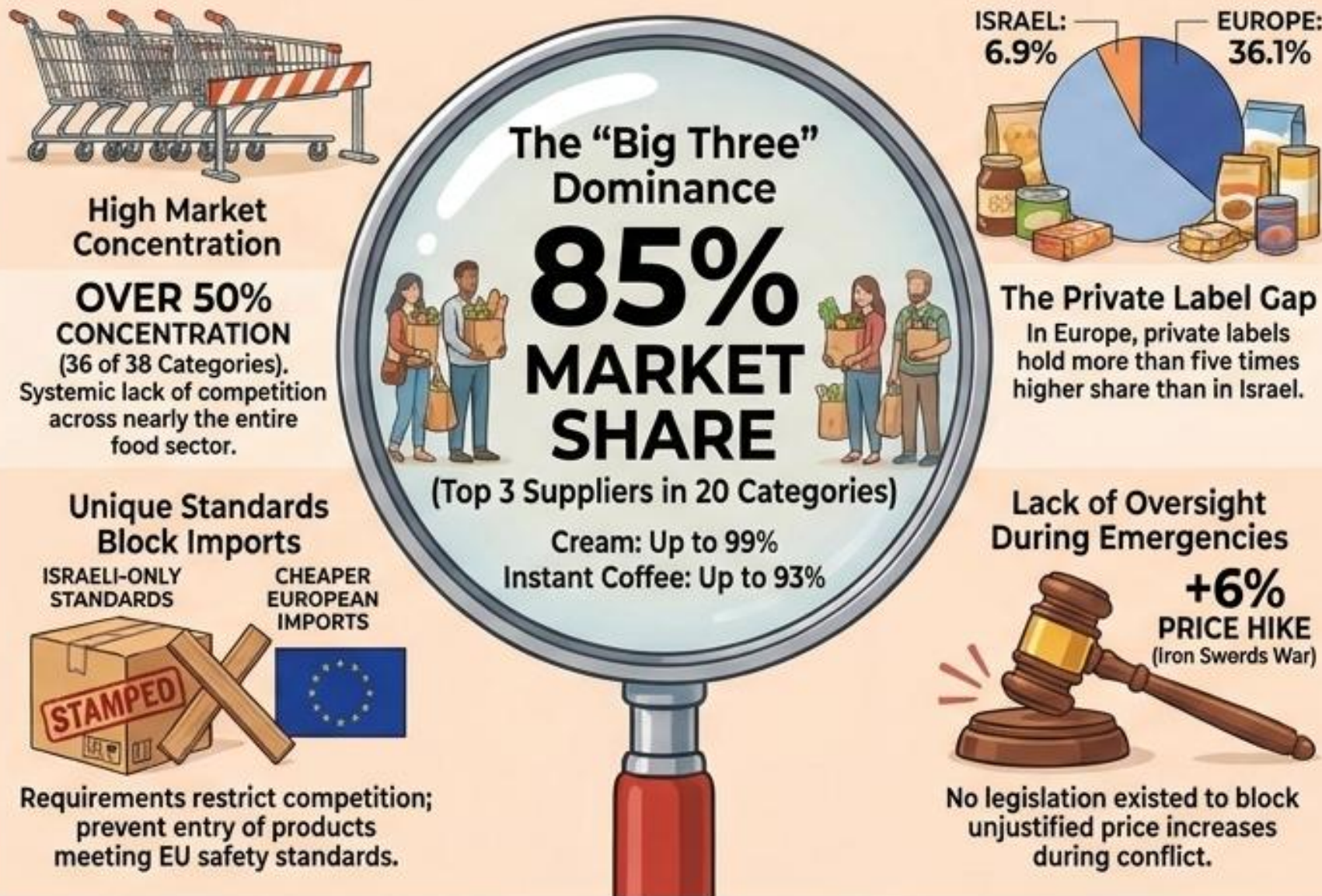
OUTPUT



The Output: AI bypasses the design queue, instantly generating structured visual communications that enhance public accessibility.

Unpacking the Output: Market Concentration Findings

Key Findings: A Concentrated Market



Extracted Data Points

The "Big Three" Dominance:
Top 3 suppliers control 85% market share across 20 distinct categories.

The Private Label Gap: Israel at a mere 6.9% compared to Europe's 36.1%.

Regulatory Barriers: Israeli-only standards restrict competition and block cheaper EU imports.

Emergency Blindspots: Lack of oversight resulted in an unjustified +6% price hike during the Iron Swords War.

Unpacking the Output: Strategic Recommendations

Key Recommendations: The Path Forward



Consistent Ministerial Oversight
Ministerial Committees must convene regularly, (met only seven times during audit period despite price hikes).



Aggressive Anti-Monopoly Action
Declare more monopolies, systematically investigate direct importers and dominant suppliers to prevent the abuse of market power.



Global Regulatory Alignment
Fully adopt EU standards for sensitive items to lower import costs and increase variety.

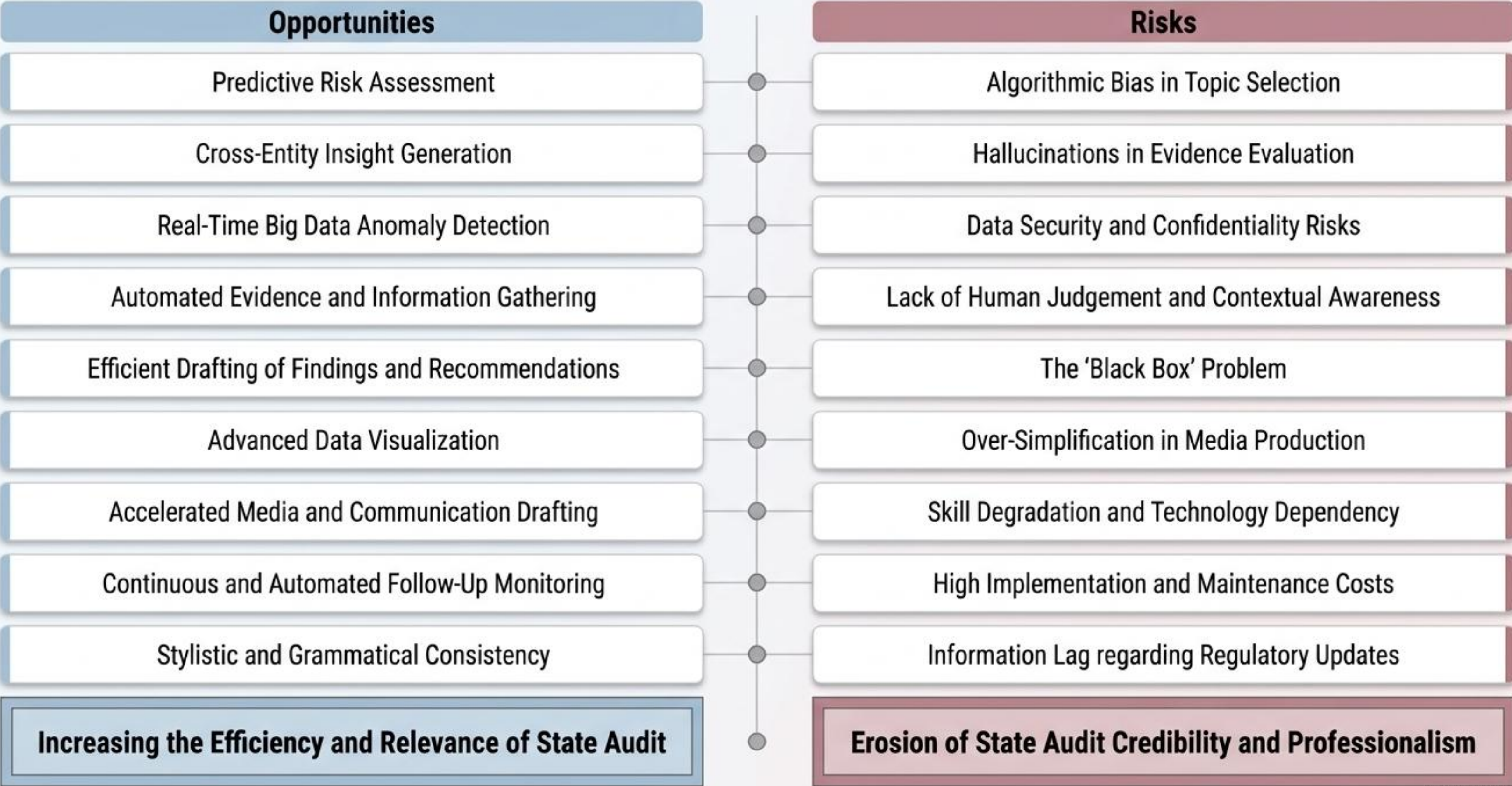


Tariff Re-evaluation
Reduce duties on imported goods not produced locally, leads to immediate price drops.

Synthesized Policy Directives

Consistent Oversight	Aggressive Anti-Monopoly Action
Mandatory, regular convening of Ministerial Committees.	Systematically investigate direct importers to prevent the abuse of market power.
Global Regulatory Alignment	Tariff Re-evaluation
Fully adopt EU standards ("What's Good for Europe is Good for Israel").	Eliminate duties on imported goods not produced locally to force immediate price drops.

The Dual Horizon: Opportunities & Risks



The Threat: The Black Box Problem



The Inexplicability Risk

If auditors cannot trace exactly how an LLM arrived at its conclusions or weighted its evidence, the findings cannot be legally or publicly defended.

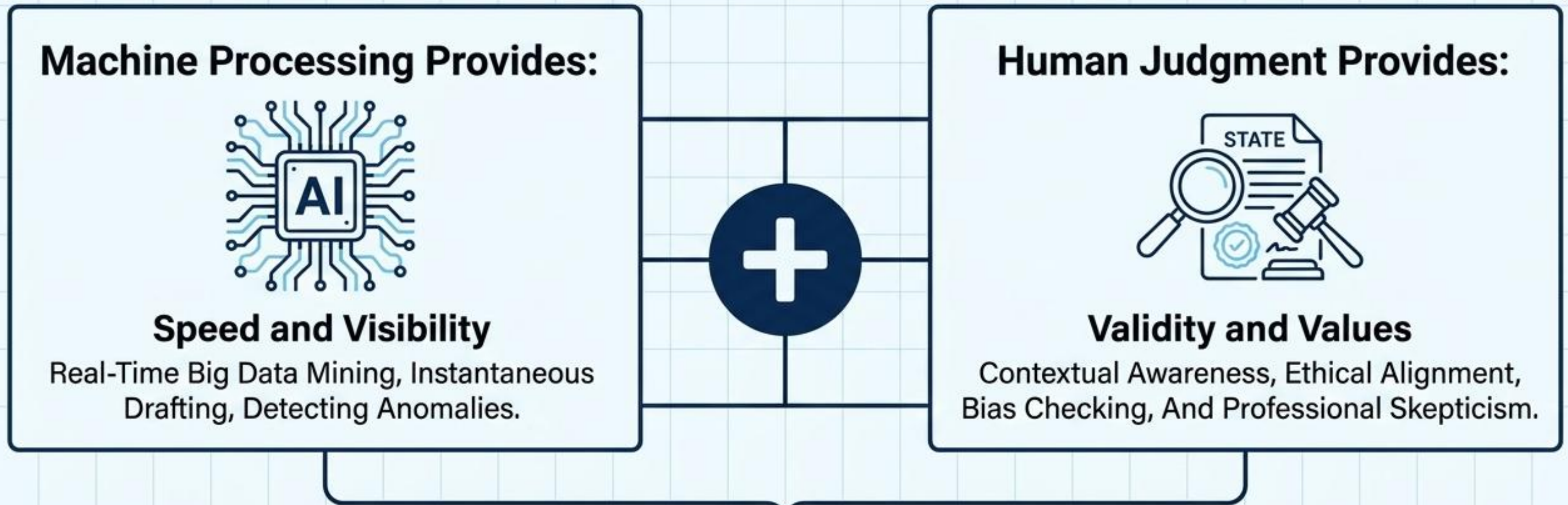
Data Sovereignty

Exposing classified state data to third-party commercial algorithms poses security risks.

The Culmination: The Erosion of State Audit Credibility

Trust and unassailable professionalism are the SAI's core values. Undetected AI errors bankrupt that trust instantly.

Synthesis: The Empowered, Not Replaced, Auditor



The Final Takeaway:

The future of State Audit does not belong to artificial intelligence alone. It belongs to the auditor who masters AI capabilities without ever surrendering their mandate for absolute truth.

Protection of Minors on the Online Space (February 2022)



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Thank You