

Generative AI Use Case

Scoping and Planning for Limited Scope Performance Audits

[PILOT]

Use Case Summary

Limited Scope performance audits focus on a narrowly defined low-risk objective. They tend to be of a fairly short duration as compared to other performance audits. As such, time spent on background research needs to be brief so more time can be spent on fieldwork.

By using AI, a performance auditor can rapidly obtain initial background information about the program under investigation without having to search through individual websites and create their own summary of information for use in populating the Record of Work Done in TeamMate. In a short period of time, the performance auditor can enter into initial discussions with the auditee being well informed about the program. This also reduces burden on the auditee because auditors will not need to ask the auditee to provide publicly available information.

Later in the Scoping and Planning process, AI can also be used as a double-check by a supervisor on the comprehensiveness of an auditor's research. Typically, when reviewing an auditor's work, a supervisor relies on the specific workpapers generated by the auditor. It would be cost-prohibitive and a waste of resources for the supervisor to duplicate the work. As such, there is a potential for key aspects of an audit topic to be completely missed and go unnoticed by our current human generated processes.

Summary of Pilot Process

The pilot process will involve using AI to conduct initial background research for limited scope audits. The audit Lead and Principal can also explore the thoroughness and comprehensiveness of the auditor's work via AI. The pilot should occur on at least three limited scope audits before determining the effectiveness of AI for this purpose since the amount of publicly available information will likely vary by topic.

Preliminary testing based on audits the proposer of this pilot has been involved in recently indicate that this approach can be fruitful in gaining a basic understanding of a program quickly with no prior familiarity. It can also be useful in identifying information a human may have missed during their own research. Newly assigned auditors who are added to the audit team later on could also get up to speed quickly by reading the responses produced via AI without having to read a vast number of workpapers already generated by the audit team.

By starting with a pilot process on low risk limited scope audits, a decision could then be made on whether or not AI should be used during more extensive performance audits.

Generative AI Tool or Platform

Chat GPT or CoPilot could be used. Ideally, both would be used for greater comprehensiveness and to compare the utility of each tool for this purpose. CoPilot is a preferable tool since it automatically lists the sources for information it gives. Chat GPT could also be used, but it will be necessary to prompt the

system upfront to provide sources, or to ask for sources in a follow-up prompt. This may not necessarily provide detailed enough documentation of the sources of information for verification and documentation purposes when using the free version of this tool.

Inputs

The Generally Accepted Government Auditing Standards (a.k.a. Yellow Book) spells out the type of information performance auditor's need to research during the preliminary phases of a performance audit. Prompts for AI tools would be related to the following topics, with follow-up prompts submitted as necessary to gain a thorough understanding.

- Interests of potential report users
- Prior audits, studies, and reviews
- Investigations and Legal Proceedings
- Program Operations and Processes
- Internal Controls
- Purpose and Goals, Size, Visibility and Sensitivity, External Factors and Oversight
- Potential datasets or other sources of evidence and what is known about their reliability
- Potential criteria – e.g., laws and regulations, policies and procedures, contracts and grants, agency strategic plan and goals, best practice
- Program Risk

Processing

The AI tool will allow a performance auditor access to a summary of known public information on a topic in a rapid manner. This will then need to be supplemented and verified by viewing the sources AI used to generate its response and by collecting additional internal information provided by the auditee, along with interviews directly with auditee staff, stakeholders, and others. Certain components of the Scoping and Planning process, such as the production of a fieldwork plan, will still need to be manually generated by an auditor.

Beyond the initial stages of an audit, where gaining a quick, high-level understanding of the audit topic is necessary, AI could also be used by the auditor, Lead or Principal when reviewing work. By inserting a relevant prompt into AI, the auditor could double-check the comprehensiveness of their manually generated work. When reviewing the work of staff auditors, a Lead or Principal could place a query to AI to double-check that the staff auditor's work was comprehensive and not missing any major components. As an example of this, I recently worked on an audit of Medicaid managed care concurrent enrollment. To see if AI could provide a reasonably thorough job of early scoping and planning for a performance audit on this topic, I discovered that it did. However, when I asked about prior studies and reviews on this topic, it identified studies in a few other states beyond the ones identified by the audit team.

Outputs

For purposes of creating TeamMate documentation, the response from the AI tool could be copied and pasted into the Record of Work Done within TeamMate, along with the response to the question asked of the AI tool, "Where did you get this information?" or similar query. TAS should provide specific information for SAO auditors on what actually needs to be documented for AI queries in support of

audit work. For example, this information may need to be prefaced by a statement that it was generated via AI, the specific AI tool used, and the date(s) of the query. Any additional information entered into the Record of Work Done will need to be clearly distinguished from what was produced via AI.

Checking for Accuracy

The performance auditor should verify the accuracy of any critical or high-risk information obtained via AI tools with the agency during early meetings with the auditee. In the event that an auditor fails to do this, in most cases, any information utilized from this early research in a performance audit report will likely be in the Introduction or Background section of the audit report. If there are any concerns about accuracy or tone of the information, it will be caught when the agency conducts its review of the Technical Review draft.

This use of AI is purely for rapidly gaining a high-level understanding of an audit topic and for a double-check on the comprehensiveness of performance audit work conducted by actual auditors. The detailed audit work and verification of information obtained via AI will still be performed by human auditors.

Limitations on Use

In addition to information that is publicly available, the performance auditor will need to supplement this information with category 2 or higher information obtained directly from the audit entity during early meetings with the agency. The performance auditor should not enter any information received from the auditee in an AI query.

Additionally, AI should not be relied on solely to complete sufficient scoping and planning work for a performance audit. Additional information will need to be gathered from the agency through internal documents not available on the Web, and interviews with auditees and stakeholders. Any information that is critical to the audit or that is planned to be used in an audit report should be verified with the auditee, and the sources provided by AI should be manually checked by the auditor to verify the legitimacy of the information.

Security or Privacy Concerns

This pilot can be performed using only currently approved AI tools. It also involves only Category I data. Therefore, there are no security or privacy concerns.

Approval Log

Approved By:	Date:
AI Oversight Committee	
Executive Team	