

Find Signal in AI Noise

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1989, Arthur Andersen, tax division

The most extensive review and overhaul of the Internal Revenue Code since the inception of the income tax in 1913.

Britannica



Speed.
Consistency.
Credibility.

Not spreadsheet technology.



The rules inside the formulas were written by their best tax people.



Locked cells



Controlled input flow



Validation



The people improved confidence in the calculation.
They did not produce the answer.

ON THE WAY IN

What applies, and what does not.

- Depreciation changes
- Corporate AMT
- Passive loss rules

ON THE WAY OUT

Another set of eyes.

- Managers & Partners Validate
- Accountable for results



Spreadsheets didn't bear the consequence.

The firm did.

A spreadsheet that could think a little on their behalf.

SPREADSHEETS

to do the arithmetic.

AI Promises

to do the thinking.



1989 and now. The Principles are the same



Outcome

Andersen asked for speed, consistency, and credibility. The tool was chosen afterward.



Intelligence

The rules inside the formulas were written and endorsed by their best tax people.



Judgment

The tool never decided what went in. A partner stood behind what came out.



Almost fifty years.

Building a company.

Connecting technology to small business.



98%

of accounting professionals use AI.

21%

of firms have an AI strategy.

CPA Trendlines, July 2026. 600 accountants.

Principles, not prompts.

Less noise. More clarity.



1

Outcome

What outcome are we actually after, and what will it take to get there?

2

Intelligence

3

Judgment

Which tool. Which model. Which prompt. A technology conversation that starts with the tool has already started in the wrong place.



BUSINESS OUTCOME

Framed around what it enables.

One states the business value

TECHNICAL OUTCOME

Framed around what the
technology does.

The other leaves you to assume it.



Same statement of work. One opening, two outcomes.

TECHNICAL OUTCOME OPENS WITH:

A mixed identity environment of local accounts, on premises AD, and Entra ID. An out of warranty server carrying DHCP, DNS, and print.

BUSINESS OUTCOME OPENS WITH:

A practice where staff log in and get to work without thinking about it. An aging server the practice cannot operate without, and nobody is coming to fix it if it fails.



You need a system. Now let's find a problem for it to solve.

Vendor Framing. Feature, Capability, functionality, whats in the demo

This is not an accusation of the industry. It is the only language they tend to offer.

Once you know to look for it, you see it early, and in almost every technology conversation.



The one thing that ought not be delegated.

It requires no technical knowledge at all.

Efficiency is a trajectory, not an outcome.

Not falling behind is not one either.



BUSINESS OUTCOME

Reduce tax return review turnaround to seven days, down from ten. Best in class is eight, and we intend to be better than that, because it is a marketing and sales advantage.

TECHNICAL OUTCOME

Implement our AI product and be twenty five percent more efficient in tax return review time.

Operational. Managerial. Training. Incentives.



Start by choosing one problem you want to solve.
Pick one use case and one trusted tool.
Not every new technology deserves your attention.

AICPA guidance. Journal of Accountancy, September 2026.



Where a clear AI strategy exists

66%

report AI meeting or exceeding expectations.

Where it does not

22%

Thomson Reuters, Future of Professionals 2026.
1,816 fiduciary professionals in legal, tax, audit,
accounting, and compliance, across 62 countries.

AI leaders, total shareholder return over three
years

+9 pts

of outperformance.

Laggards

negative 1.7%

BCG, 2026. Genuine AI leaders are
roughly 6% of companies.

The payoff for getting this right is measured, not theoretical.



1 Outcome

What outcome are we pursuing?

2 Intelligence

The business outcome, defined by you, carrying the needs of your business,

3 Judgment

not conflated with technical outcomes, is the starting point of every conversation about AI.



1

Outcome

You define the outcome.

2

Intelligence

3

Judgment

Where does the intelligence live?

In 1989, the intelligence was in the formulas, vetted, controlled, refined, managed

This topic is all about where is the intelligence in AI?





Data

The pantry.



Rules

The recipes.



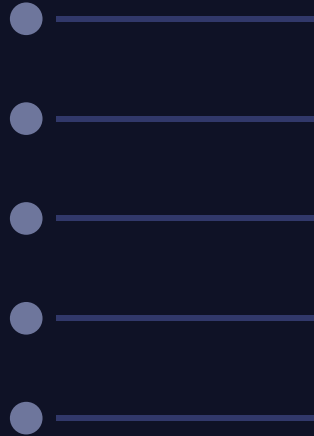
Automation

The kitchen staff.

The rules are the thinking.
Human reasoning turned into code



INPUTS



A RULE

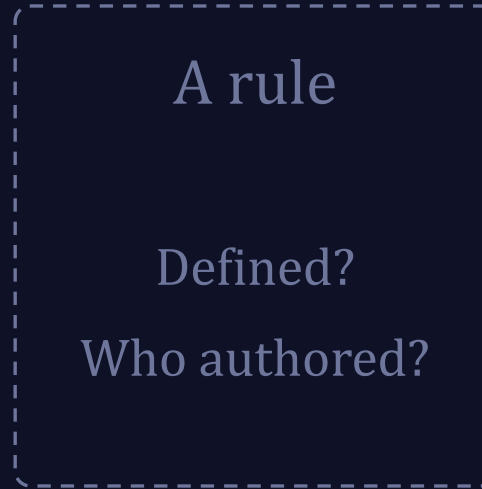
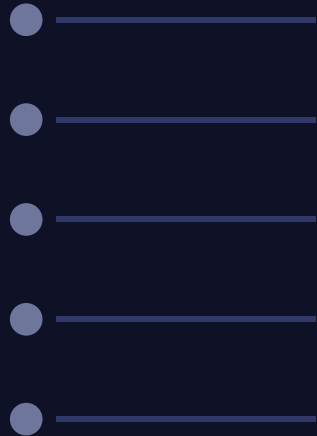
Documented
Precise
Controlled

- Specified before it was written
- Edge cases define
- Assumptions written down
- Reviewed by someone other than the author
- Tested against known cases
- Version controlled
- Somebody approved the logic itself

A bad ingredient ruins one plate. A bad recipe ruins every plate every night.



INPUTS



From the model's training.

From the open web.

From your own prompt.

Project Instructions?

- Specified before it was written
- Edge cases defined
- Assumptions written down
- Reviewed by someone other than the author
- Tested against known cases
- Version controlled
- Somebody approved the logic itself

Same ingredients.

A different recipe is produced on every plate every night.



A fundamental shift in mindset for both management and auditors.

From deterministic, rule based technologies to probabilistic models with inherently variable outcomes. From static, point in time assurance to continuous monitoring.

COSO. Achieving Effective Internal Control Over Generative AI, February 2026.

This is why there are inaccuracies!!!

Intelligence is generally unbounded, unless you bind it.

Fewer than 20%

of IT leaders believe vendors can protect them against AI generated inaccuracies.

Gartner, reported by CIO Dive, September 2025.

Binding intelligence to your objective is not something a vendor can do on your behalf.



Controls don't work because of diligence
They worked because of geometry.

1989

One door - Chokepoint
One guard - Checkpoint

AI Today

**AI has no door, and the
intelligence walks in from
indiscriminate locations**

You cannot govern a rule that isn't visible.



You already own every control AI is missing.



Segregation of
duties



Approval
hierarchies



Maker and
checker



Delegation of
authority

Implementing chokepoints and checkpoints as you normally
would, AI doesn't change the physics



Stop asking what AI can do.
Ask which of the three you are handing it.

The pantry?

The recipe?

The whole kitchen?

↑
The rules determine the output



1

Outcome

You define the outcome.

2

Intelligence

3

Judgment

Where is the intelligence
coming from,
and who created it?



1

Outcome

You define the outcome.

2

Intelligence

You know where the intelligence came from, and who created it.

3

Judgment

In 1989, spreadsheets didn't bear the consequences, the Firm's partners did.

With AI, who does now?



Judgment is deciding what applies and what does not, and standing behind the result.



My brain was not wired for language.

Then I chose a career where language was the price of admission.



The ideas are still mine.

The route to them got shorter.

I call this the “Intuition Unlock”



AI supplies language.

It does not supply judgment.

So it multiplies whatever judgment you brought to it.

Same tool. Leverage for one person, slop for another.



OUTPUT A

Placeholder text for Output A, consisting of ten horizontal bars of varying lengths.

Judgment sits
in between
outputs as a
checkpoint to
correctness
and intention

OUTPUT B

Placeholder text for Output B, consisting of ten horizontal bars of varying lengths.

Traditional systems either enforced outputs or the author of a work simply produced it manually and stood behind it.

Fluency read as accuracy, and that signal was reliable, until now.

DOES IT LOOK RIGHT?

Fast. Near automatic. Something professionals are genuinely expert at.

IS IT RIGHT?

Slow. Effortful. Requires going to check.

Sloppy writing, or outputs of any kind, signaled sloppy thinking. With AI well structured and polished there is a quiet confirmation.



Consistency used to be a property of the system.

Now it is a result of the judgment applied to the output.

***The level of judgment your firm requires can no longer be inherited from the tool.

It has to be decided. By someone.



Judgment gets built out of four things.



Knowledge

What you have learned.



Experience

The work you have actually done.



Reflection

Looking back at how it went.



Feedback

Finding out what really happened.

It is not one of four. It is the one that makes the other three count.



88%

say AI will be the most transformative trend in the profession over the next 12 to 24 months.

8%

feel very well prepared for it.

That gap is not a competence problem.



1

Outcome

You define the outcome.

2

Intelligence

You know where the intelligence came from, and who created it.

3

Judgment

Whose judgment is being used, and
where?

Judgment is built, not accidental.

It is the one thing still reserved for us.



In 1989, These gates were closed...now AI opened all three back up.
All three, at once, and quietly.

OPEN

Outcome

OPEN

Intelligence

OPEN

Judgment

Three questions. Three gates you can close yourself.



1 What outcome are we pursuing?

2 Where is the intelligence coming from, and who created it?

3 Whose judgment is being used, and where?



Great works are performed, not by strength, but by perseverance.

Samuel Johnson. The History of Rasselas, Prince of Abissinia, 1759.

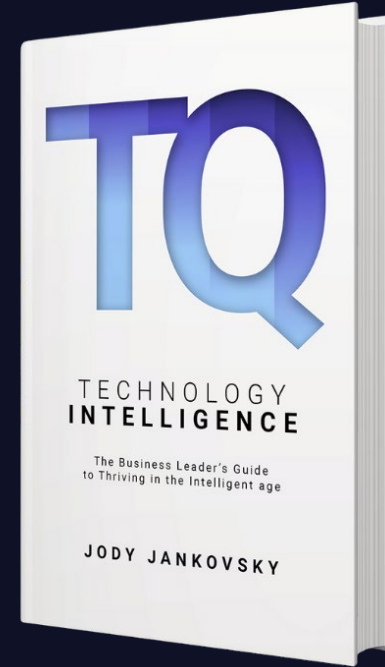




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TQ:
Technology
Intelligence

Available on Amazon

TQ COHORT

Building technology judgment without becoming a technologist. Starts in two weeks.

