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In today's deal rooms and board meetings, AI-assisted memos and forecasts have become standard fare. However, blindly trusting AI-generated numbers without rigorous verification is a recipe for audit findings and stakeholder skepticism. As someone who has spent over a decade leading strategy and due diligence, I have developed a practical **audit checklist** to verify AI numbers before sending out critical memos. This is not just about double-checking inputs and outputs; it's about a systematic approach that includes signaling data completeness, recognizing model disagreement as a productive friction, ensuring source **traceability to CSV** and PDFs, and understanding variance across runs and AI models.

## Why Verifying AI Numbers Matters

AI models can produce impressively detailed forecasts, valuation models, or operational insights, but they carry risks of undisclosed assumptions, shifts in data quality, and "black box" outputs. Clients, auditors, and executives want assurance that the numbers hold up under scrutiny and that they can be traced back to source data. Failure to confidently explain or back up figures often leads to rework, lost credibility, or deal delays.

## Core Themes in AI Memo Verification

- **Data Completeness Index (DCI) as an Audit Signal**
- **Model Disagreement as Useful Friction**
- **Provenance and Traceability to Source Documents**
- **Variance Across Runs and Across Models**

### 1. Data Completeness Index (DCI): The First Audit Signal

When working with AI-generated analysis, understanding what data is missing or incomplete is as important as what is present. The Data Completeness Index (DCI) quantifies the percentage of expected data points or fields that are actually available to the AI model. Pretty simple.. It serves as an early warning signal and audit flag.

Key validation questions:

1. Is the DCI visible and reported alongside results?
2. Does the memo note any gaps or limitations in datasets used?
3. Have alternative data sources been suggested or incorporated to enhance completeness?

A low Data Completeness Index means the AI is extrapolating or hallucinating more numbers <https://travispyuj085.raidersfanteamshop.com/the-disagreement-correction-index-turning-ai-friction-into-audit-ready-signal> than it should. That's a serious red flag before committing to those numbers.

### 2. Model Disagreement: Embrace Useful Friction

Multiple AI models may analyze the same inputs yielding different outputs. Instead of naively averaging conflicting numbers or choosing the "best-looking" result, treat model disagreement as a productive friction point for deeper insight.



Verification protocol:

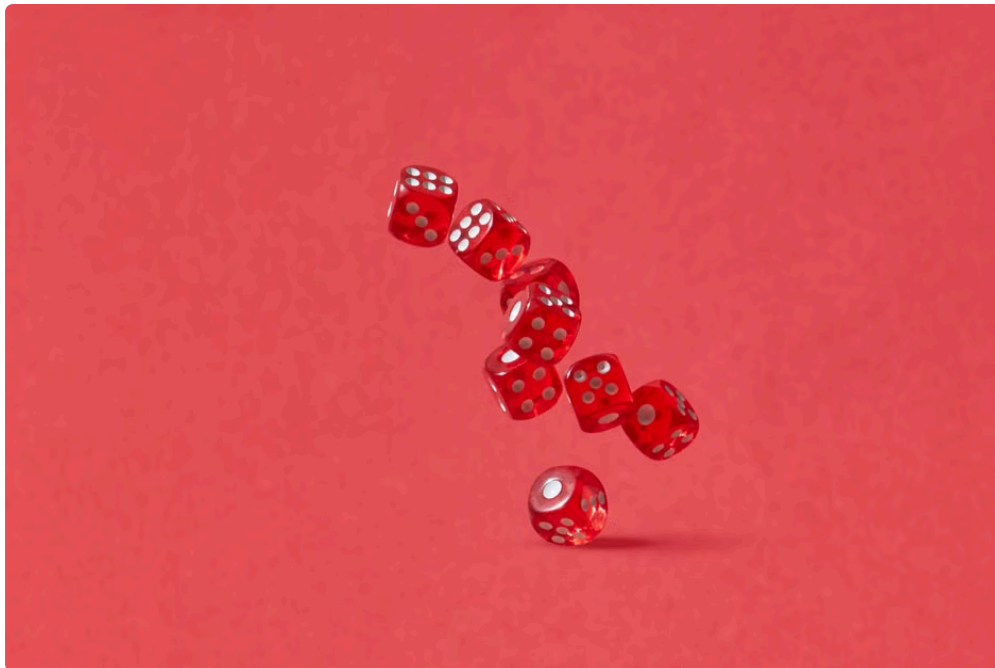
- Run at least two independently trained AI models or different runs with varied random seeds.
- Document the range of outputs and key differing assumptions.
- Investigate and reconcile root causes for disagreement — are different depreciation schedules, discount rates, or growth assumptions embedded?
- Highlight unresolved disagreements clearly in the memo to avoid overselling certainty.

This friction helps catch hidden assumptions or data inconsistencies early, making final forecasts more robust.

### 3. Provenance and Traceability: The Non-Negotiable Audit Mantle

A critical principle I enforce: ***every AI-generated number must be traceable to a documented source***. If it can't be linked to a CSV file, audited Excel model, PDF report, or controller-signed document, it should not be presented with confidence.

Traceability checklist:



1. Maintain a central repository where all source files (CSVs, PDFs, Excel models) are stored and version-controlled.
2. Each AI-summarized number links back explicitly—e.g., “Revenue Q1 2024, sourced from Sales\_Report\_Q1\_2024.csv, cell B15.”
3. If the AI aggregated multiple fields (e.g., product categories), note aggregation logic and original fields.
4. Ensure that citations in memos include file names, table/cell references, and date stamps.

Without this provenance trail, numbers become unmoored and untrustworthy. This is the hallmark of your **AI memo verification** process.

## 4. Variance Across Runs and Models: Understand and Document Uncertainty

AI models inherently generate probabilistic outputs. Running identical models multiple times (even identical inputs) can produce variations due to random initialization, stochastic layers, or sampling methods. Additionally, different model architectures or vendor solutions will have structural variance.

Your checklist item is to observe and document the *variance across runs and models* and interpret what that means for the certainty of your numbers.

Verification steps:

- Run multiple inference rounds with the same input on the same AI model and compare numeric outputs.
- Run alternative AI models trained on comparable data and contrast results.
- Calculate variance metrics (e.g., standard deviation, coefficient of variation) for key figures.
- Annotate the memo with a summary of this variance and any impact on decision-making confidence.

Rather than hiding variance or averaging it away, be transparent. This adds credibility and safeguards against auditor or boardroom questioning.

## Comprehensive Audit Checklist Summary

Verification Item Actions Audit Signal Data Completeness Index (DCI) Confirm percentage of data present, note missing fields, flag low completeness Highlights data gaps and model risk Model Disagreement Compare outputs from multiple models, investigate root causes of variance Ensures assumptions are challenged, uncovers hidden biases Provenance & Traceability Link each number to exact CSV, PDF, or Excel source files with cell/table references Enables auditor tracing, builds trust in outputs Variance Across Runs/Models Quantify output variance, document uncertainty ranges in memo Transparency on confidence levels, prevents false precision

## Additional Best Practices for AI Memo Verification

- **Maintain a 'What Would an Auditor Ask' Internal Checklist:** Before finalizing, simulate audit questions and ensure each number can be defended with data.
- **Document All Assumptions Explicitly:** Never take assumptions for granted. Document discount rates, time horizons, inflation factors, and data sanitization steps.
- **Use Version-Controlled Data Sources Only:** Avoid manual copy-paste from raw files. Instead, use scripts or query tools that pull directly from version-controlled CSV repositories.
- **Review Memo Language for Overconfidence:** Avoid generic claims like “optimized for growth” without precise supporting metrics or model outputs.
- **Coordinate with Data Owners and Subject Matter Experts:** Validate key assumptions and confirm numbers with finance controllers or data stewards.

## Conclusion

AI-assisted memos and forecasts can accelerate decision workflows but also introduce new complexity and risk. Incorporating a rigorous **audit checklist** focusing on DCI, model disagreement, source traceability, and variance awareness is essential to maintain credibility and trust. Tracing every AI number back to specific CSVs or PDFs is not just a best practice — it’s a non-negotiable foundation for any boardroom-ready document.

Next time you prepare an AI-generated memo, apply this checklist diligently. Your auditors, legal counsel, and executives will thank you — and you’ll sleep easier knowing you’ve done your due diligence. ``