

# Trust but Verify: Using AI Ethically Without Losing Professional Skepticism

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# Learning Objectives:

- 1. Identify** the four classical ethical dilemmas (Truth vs. Loyalty, Individual vs. Community, Short-Term vs. Long-Term, and Justice vs. Mercy) when presented with workplace scenarios.
- 2. Apply** the three ethical decision-making frameworks (Ends-based/Utilitarianism, Rule-based/Deontology, and Care-based/Golden Rule) to resolve competing values in professional situations.
- 3. Differentiate** between Universal Skepticism and Balanced Judgement as approaches to critical thinking when evaluating AI-generated outputs and business decisions.
- 4. Analyze** AI-generated financial data using the four-step critical thinking process: Question/Doubt, Investigate, Validate, and Decide to ensure accuracy and compliance.



**We are living in fragile times**

**Information overload**

**Tech-Facilitated fraud without controls**

**Ethics Fatigue and Rationalization**

**Growing need for critical thinking**

**AI driving a loss of curiosity**

**a loss of professional skepticism**



**We have the answer**

**Cut the noise**

**Control tech-facilitated fraud**

**Keep ethics fresh and engaged**

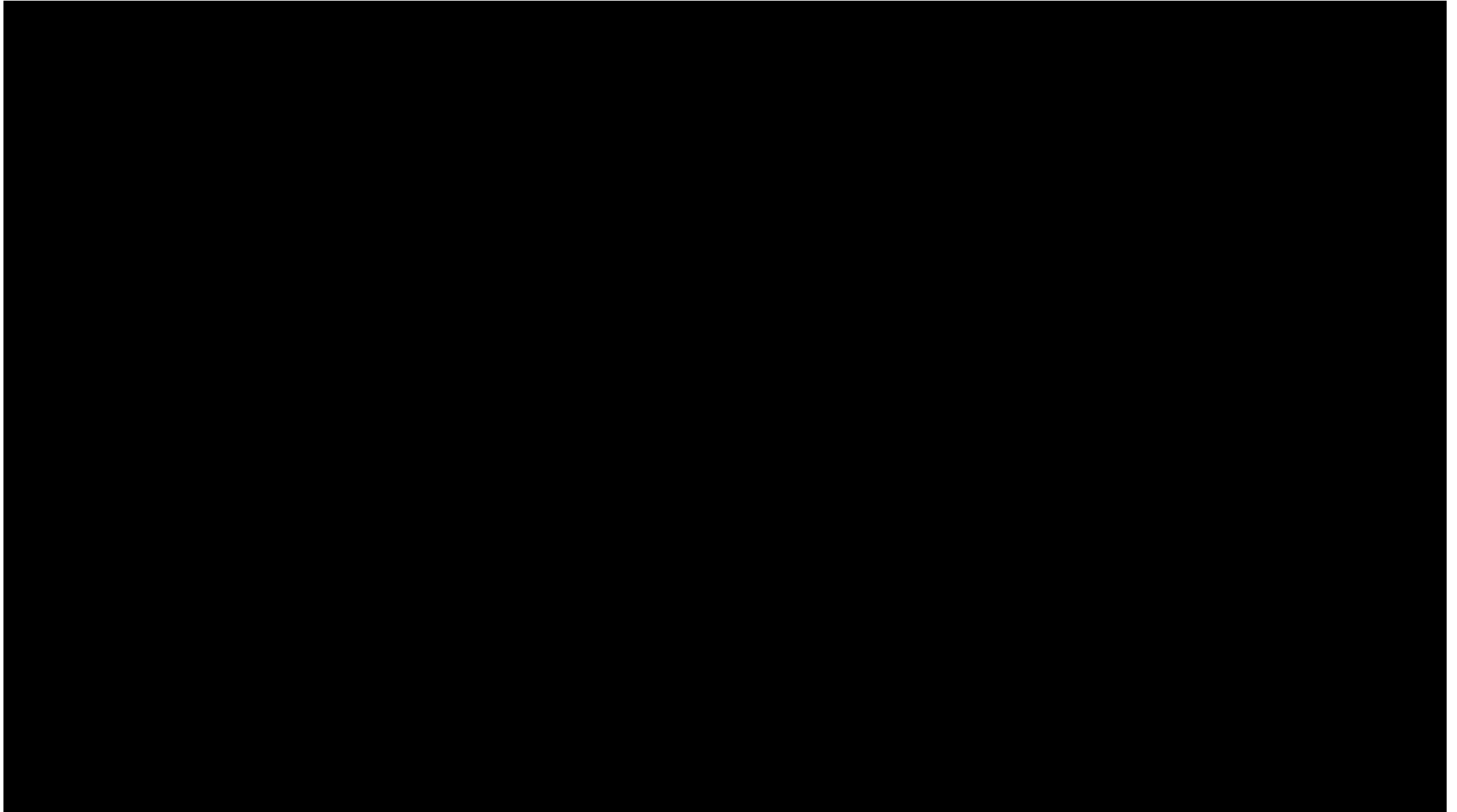
**Think about critical thinking**

**Never lose the curious idealist inside you**

**lead with your skepticism**



A look at the future...



# Discussion

1. *What does “Finance of the Future” look like?*
2. *How do you think your role will change in the next 5 years?*

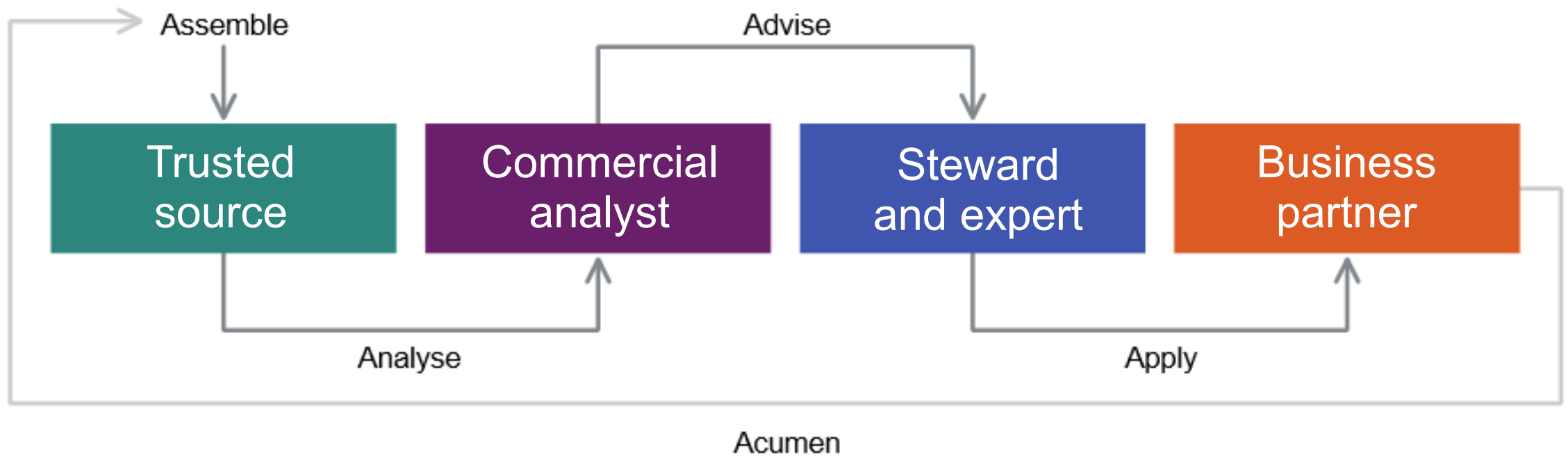


# AICPA/CIMA definition of management accounting

# Range of roles of finance and management professionals



# Range of roles of finance and management professionals

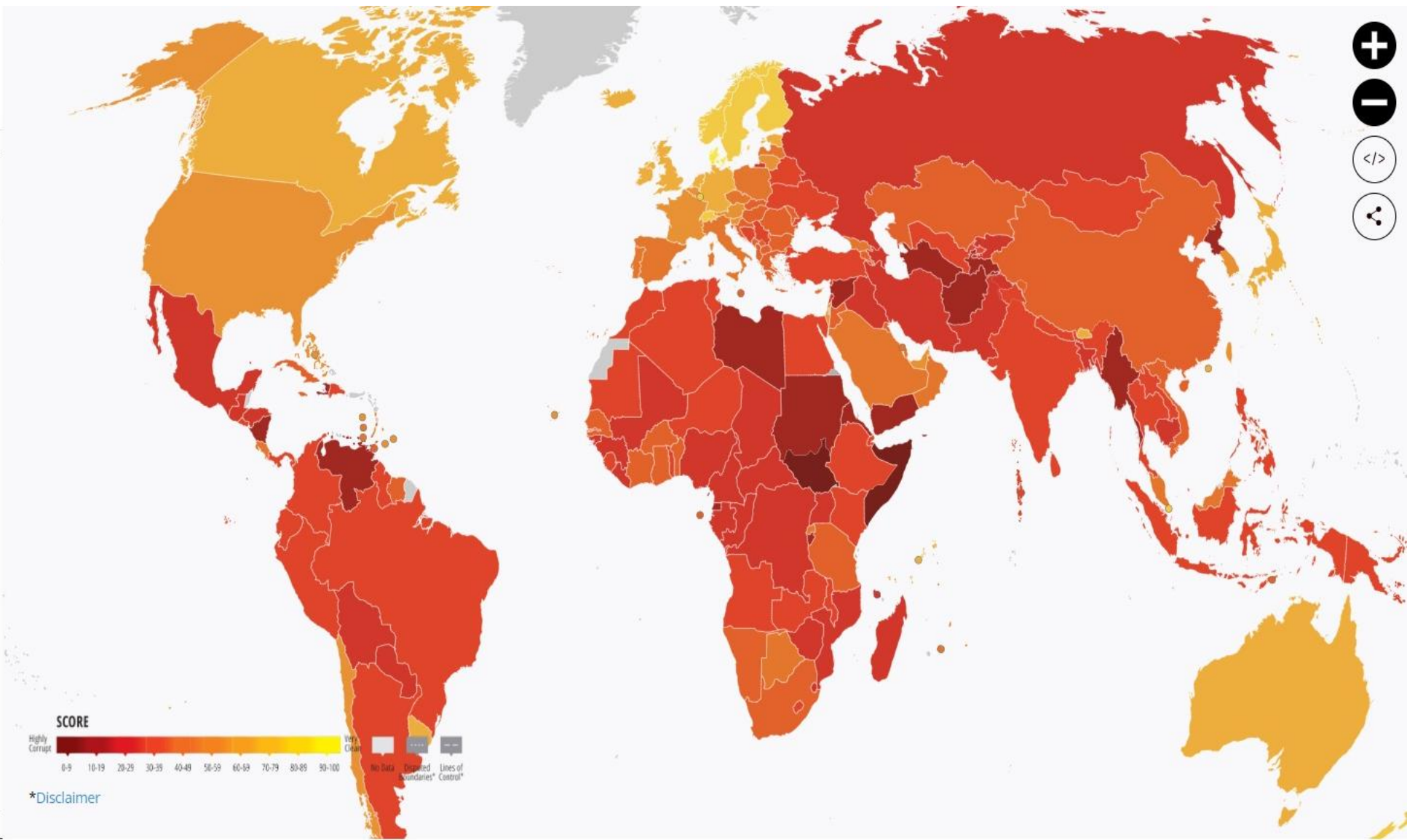


# Qualities of a Trusted Business Partner

- Honest and **Ethical**
- Reliable
- Accountable
- Communicate well
- Proactive
- Helpful, offer solutions
- Do more than is expected
- Business savvy
- Positive contrarian
- Open to other perspectives

Search

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The Corruption Perceptions Index (CPI) measures perceived levels of public-sector corruption in 182 countries and territories, drawing on 13 independent data sources.

The global CPI average has dropped for the first time in more than a decade to just 42 out of 100.

Range of Feelings

We need to do something about this.

We're making too much of it.

490 BC

To see what is right and  
not to do it is want of  
courage

Confucius 551 B.C. – 479 B.C., The Analects  
Book II, Chapter XXIV



# The rules have suddenly **changed**

- Generative AI is blurring the lines
- Distributed workforce - Teams gathering around their laptops
- Everyone under stress – and fraud becomes more likely
- Clients with unusual demands
- The rules are changing daily
- **Ethical standards are shifting**



# 'A lot of overpromise': AI-generated tax errors are piling up, accountants warn

In 2025, 76 per cent of accountants and bookkeepers said they saw an upsurge in AI-generated tax errors. The most common mistakes include

**misinterpretation of business expenses (44 per cent), incorrect tax claims or charges (43 per cent), faulty personal tax planning (36 per cent), payroll errors (35 per cent), and incorrect business tax planning advice (35 per cent).**

The experts also noted that AI-generated tax errors were most common in payroll (35 per cent), and incorrect business tax planning (35 per cent), and incorrect business tax planning (35 per cent).



# AI tools suffer from:

## Hallucinations

(confident but completely incorrect statements)

## Outdated information

(training data cuts off at specific dates)

## Lack of jurisdiction-specific knowledge

(tax laws vary by country, state, municipality)

## No understanding of context

(can't assess your specific business situation)

## No professional liability

(unlike a CPA, AI can't be held accountable)



# What are we seeing?

1. Two classes of people – thinkers vs. scrollers
2. Thinkers are reading not streaming.
3. Thinkers are able to audit AI results, forming their own opinions and auditing AI content

Your **critical thinking skills** combined with **AI capabilities** can **transform** your finance work...but we must maintain the **essential human judgment** that defines **true financial expertise.**



# Three Pillars for AI Success



AI FRAMEWORK



# Three Pillars for AI Success



Clear guidelines on  
what, where, and how

# Three Pillars for AI Success



Framework for  
responsible use

# Three Pillars for AI Success



Tactical  
prompts to  
improve your  
results



**High  
Performers  
want  
Courageous  
Leaders**

**...especially in  
chaotic times**



- 5 - I am always ethical
- 4 - I am mostly ethical**
- 3 - I am somewhat ethical
- 2 - I am seldom ethical
- 1 - I am never ethical

**Good People  
Make Tough  
Choices...**

**...and  
sometimes  
they make  
bad ones.**



# The Nature of True Ethical Dilemmas

The most challenging ethical choices present competing "rights" that force us to prioritize core values.

These situations qualify as genuine dilemmas precisely because each option is firmly rooted in fundamental principles that we hold dear.



# The Four Classical Ethical Dilemmas

1

## Truth vs. Loyalty

Honesty/integrity competing against commitment and promise-keeping

**Example:** Someone you trust asks you to perform an act that compromises your integrity

2

## Individual vs. Community

"Me" versus "everyone else"

**Example:** You identify a public threat but must put yourself at risk to address it

3

## Short-term vs. Long-term

Immediate benefits versus future consequences

**Example:** Resolving work/life balance challenges with competing timelines

4

## Justice vs. Mercy

Consistency and equity versus fairness and compassion

**Example:** Finding balance between enforcing rules and making exceptions

# Three Frameworks for Ethical Decision-Making

Professionals typically use one of three established ethical frameworks when facing dilemmas:

- 1. Ends-based thinking** (Utilitarianism): "Do what's best for the greatest number of people"
- 2. Rule-based thinking** (Deontology): "Follow your highest sense of principle"
- 3. Care-based thinking** (Golden Rule): "Do what you want others to do to you"



# Kidder's Nine Checkpoints for Ethical Decision Making

\*"Good People Make Tough Choices"  
by Rushworth M. Kidder

1. Recognize that there is a moral issue.
2. Determine the actor.
3. Gather the relevant facts.
4. Test for right-versus-wrong issues.
5. Test for right-versus-right paradigm.
6. Apply the resolution principles.
7. Investigate the "trilemma" options.
8. Make the decision.
9. Revisit and reflect on the decision.

# Importance Of Great Questions



## Great QUESTIONS

Lead to great reflection



## Great Reflection

Leads to great learning



## Great Learning

Leads to great action



## Great Action

Leads to great results

**The journey to exceptional outcomes begins with asking the right right questions. When we question effectively, we trigger a powerful chain powerful chain reaction that ultimately drives meaningful results. results.**

# Critical Thinking: The Essential Finance Skill

Critical thinking is the ability to objectively analyze data, question assumptions, and make sound decisions - especially when results affect compliance, reporting, or business outcomes.



## **AI is fast & thorough**

Processes vast amounts of data quickly



## **Humans provide context**

Understand nuance, business implications,



## **Partnership delivers value**

The combination creates superior financial insights



# The Critical Thinking Process with AI Outputs

## **Question/Doubt**

Does this align with what I know about the business cycle and financial trends?

## **Investigate**

Are there outliers, anomalies, or missing data points that require deeper analysis?

## **Validate**

Cross-check with other reports, historical data, and business context for verification

## **Decide**

Determine what needs escalation, adjustment, or approval based on your professional judgment



**This calls for the ability to:**

**Recognize problems or situations  
requiring concentrated thought**

**Understand the importance of  
prioritization in problem solving**  
(what is the underlying priority in the  
situation....harmony, productivity, service,  
etc.)



# This calls for the ability to:

**Gather and marshal** relevant and useful information

**Recognize unstated assumptions** and values

**Comprehend and use language** with accuracy, clarity, and discernment; not using generalist terms.



# This calls for the ability to:

**Interpret data**, to appraise evidence and evaluate arguments (what is the real meaning and impact of words, behaviors, tone, body language, habits, etc.)

**Objectively recognize the existence (or non-existence) of logical relationships** between propositions and draw warranted conclusions and generalizations



# This calls for the ability to:

**Test** the conclusions and generalizations at which one arrives

**Reconstruct one's patterns of beliefs and behaviors** based on wider experience about specific things and qualities in everyday life

**Render accurate judgments**





The first picture is rarely the full story.

# Practical Example: Pricing

## Case Study 1: Pricing – Large Enterprise Service Contracts

### Background:

Your organization’s finance team leverages AI to recommend pricing for large enterprise service contracts, using historical deal data and market benchmarks.

### AI Analysis:

- AI proposes a **7% discount** for a new multi-year cloud services deal, citing “competitive pressure” and “industry average discounts.”
- Generates summary:  
“Recommended pricing maximizes win probability while preserving margin; projected gross margin 21%.”



# Practical Example: Pricing

## Human Critical Thinking Audit:

- **Alignment Check:** Finance professional notes the client's industry is undergoing consolidation—recent deals have featured higher customization premiums.
- **Outlier Detection:** The AI model does not account for the client's demand for rapid deployment, which commands a higher price.
- **Cross-Verification:** Review of similar deals in the region shows a 3% higher margin on contracts with expedited timelines.

## Outcome:

- Final pricing adjusted to a 4% discount, reflecting project complexity and urgency.

**Result: Improved margin and client satisfaction, with AI recommendations now better tailored to real-world deal dynamics.**



# Practical Example: Audit

## Case Study 2: Audit – Automated Controls Testing

### Background:

Your organization’s internal audit team uses AI to automate controls testing across global financial transactions, aiming to flag anomalies and potential compliance risks in real time.

### AI Analysis:

- AI reviews 500,000+ transactions from Q2.
- Flags 0.8% as “potential exceptions” due to unusual vendor payment patterns and timing.

### AI Generates summary:

**“Exceptions primarily relate to late-night payments and above-average invoice amounts. No evidence of fraud detected.”**



# Practical Example: Audit

## Human Critical Thinking Audit:

- **Context Check:** Auditors note that the flagged transactions coincide with a major ERP system migration.
- **Cross-Verification:** Manual review reveals many exceptions are legitimate “catch-up” payments authorized during the migration blackout window.
- **Escalation:** One flagged vendor is a new supplier with no prior payment history—further investigation uncovers incomplete onboarding documentation.

## Outcome:

- 85% of AI-flagged exceptions cleared as valid.
- **One vendor payment escalated for compliance review.**

**Audit process improved by updating AI training data to recognize ERP migration events, reducing future false positives.**



# Critical Thinking Tools for Finance Professionals

## ■ Where Human Intelligence is Critical

- Maintaining ethical standards
- Using a “Future of Finance” mindset
- Considering stakeholder needs
- Applying regulatory wisdom
- Understanding strategic implications
- Making judgment calls
- Teaching AI using chat with updated guidance based on new wisdom



# Critical Thinking Tactics for Finance Professionals

- **Ask "What's missing?"**  
Train yourself to identify gaps in AI analyses - are all revenue streams included?
- **Compare to historical trends**  
Always benchmark AI outputs against prior periods and established business patterns to identify problems
- **Test the results**  
Challenge the AI's assumptions as if you were an auditor - what would raise questions during a compliance review?
- **Drill down for source data**  
Leverage Copilot to provide raw inputs, not just summaries, to verify calculation integrity



# Two Approaches to Doubt

## Universal Skepticism

**Question everything systematically;** find bedrock certainty

Better for: theoretical rigor, foundational thinking

## Balanced Judgement

**Contextual discernment:** Read what matters in *this* situation;  
integrate experience

Better for: ambiguous decisions, team judgment, professional practice



# The Heart of Balanced Judgement: Intuition + Deliberation

Balanced Judgement is NOT pure intuition (gut feeling) and NOT pure logic (analysis only).

**It is the refined integration of both:**

- **Intuition:** The capacity to immediately grasp what matters (trained through experience)
- **Deliberation:** The discipline to test that intuition through reasoning and evidence



# How is Balanced Judgement Cultivated?

- **Experience:** Repeated exposure to varied situations and their outcomes
- **Reflection:** Pause to examine what worked, what didn't, and why
- **Dialogue:** Learn from mentors and peers with different expertise
- **Failure:** Mistakes are the fastest teachers if reflected upon honestly
- **Virtue practice:** Repeatedly choose the right action until it becomes natural

**Balanced Judgement is not learned from books –**  
it's earned through wise practice



# Balanced Judgement Protects Against Extremes

- **Analysis Paralysis vs. Reckless Action**  
Balanced Judgement decides when to act despite uncertainty
- **Arrogant Certainty vs. Perpetual Self-Doubt**  
Balanced Judgement calibrates confidence to evidence
- **Dismissing Experience vs. Never Questioning Precedent**  
Balanced Judgement knows when to break tradition



# How Balanced Judgement Complements Your Framework

- **Universal Doubt:** says "I doubt everything"
- **Balanced Judgement** asks "What should I doubt *in context*?"
- **Pragmatism** asks "What works?"
- **Balanced Judgement** asks "What's right *here and now*?"



# How Balanced Judgement Complements Your Framework

- **Confidence-Based** asks "What's the confidence level?"
- **Balanced Judgement** asks "How much confidence does *this* decision deserve?"
- **Logic Checked** asks "What's the argument type?"
- **Balanced Judgement** asks "Who's arguing and why, and what's their track record?"



# Balanced Judgement in Action: Reading the Room

**Scenario:** A team member proposes cutting a auditing program to save budget.

- **Universal Doubt:** "What does this person's track record tell me? What is organizational pressure I'm not hearing directly?"
- **Dig deeper:** Consult veteran staff who've seen budget cycles. Trace outcomes of past training cuts.
- **Decide with wisdom:** Balance cost control with long-term capability. Maybe redesign, don't eliminate.

**Balanced Judgement reads between the lines** and learns from patterns others miss.



# The Value of Balanced Judgement

Which doubt method to use when:..

**Use Universal Doubt:**

when you need foundational rigor

**Use Pragmatism**

when you need to test data in real world

**Use Confidence-based**

when data quality matters

**Use Logic-checked**

when examining claims and arguments

**Use Balanced Judgement** to integrate all wisdom



# Your Five-Method Doubt Arsenal

- **Universal Doubt:** Systematically question assumptions
- **Pragmatism:** Test through real problems
- **Confidence Based:** Calibrate confidence with evidence
- **Logic Based:** Identify argument patterns and weak points
- **Balanced Judgement:** Read context, seek counsel, decide with earned wisdom



# Case: Client Proposal Skepticism

**Situation:** A major client proposes an aggressive system rollout with tight timeline and fixed budget.

**Read the pressure** (leadership mandate? market threat?).

**Consult teams** who've done similar rollouts.

**Ask not "Is this possible?"** but "What does success truly require and what are we sacrificing?"

**Propose the right scope,** not the demanded scope.



# Balanced Judgement Aligns with the Middle Way

Both Buddhist and Aristotelian wisdom teach the same truth:

**Wisdom** is the capacity to find the right mean  
**Not certainty vs. doubt**, but proportionate confidence.

**Not recklessness vs. paralysis**, but timely action.

**Not isolation vs. conformity**, but informed community judgment.



# Balanced Judgement

Doubt wisely.

Deliberate humbly.

Decide courageously.

*The deepest form of skepticism is knowing  
what to trust and why.*

Aristotle • 384–322 BCE





# Key Ethical Takeaways with AI



## Partnership Mindset

AI/Copilot is a powerful ally, but your critical thinking ensures quality, compliance and trust



## Practical Application

Use Copilot for automation and insights while applying critical thinking to validate, question, and contextualize results



## Collaborative Intelligence

Combine AI capabilities with human expertise and diverse perspectives for superior financial outcomes

***Assignment – Implement these ideas and build wisdom in your decision-making***

# Being ethical requires courage



Microsoft Stock Image

- ✓ Be confident
- ✓ Be prepared
- ✓ Have the right tools

**FEAR**

**COURAGE**



What are  
you waiting  
for?

---



It is not as dangerous  
as you might think.

With confidence,  
preparation and tools,  
you can manage your  
risks



**What is your next  
decisive  
moment?**

**Will you be  
ready?**



Life is a  
series of  
Decisive  
moments



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