Effectiveness and Auditability of Latent Agentic Reasoning: Probing Frameworks, Composite Objectives, and Benchmark Design

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ABSTRACT

We address the open problem of making latent-space planning, decision-making, and collaboration in LLM-based agentic systems both effective and auditable. Using a controlled synthetic benchmark with known ground-truth reasoning structure, we develop and validate three complementary approaches: (1) interpretability probes—linear for regression targets and logistic for classification—that recover injected planning signals from hidden states, achieving quality prediction $R^2 = 0.317$ and goal detection accuracy 0.658, both substantially above shuffled baselines; (2) auditability-aware composite training objectives that map the Pareto frontier between task effectiveness and probe-based auditability; and (3) a benchmark suite evaluating probe accuracy, *causal* faithfulness (0.745 via behavioral interventions), consistency (0.976), and coverage (0.712). We demonstrate that multi-agent coordination structure is recoverable ($R^2 = 0.923$) when agents genuinely converge toward consensus states. Layer-wise analysis, tied to actual probe evaluations at each layer, reveals that planning information peaks in middle transformer layers. All reported numbers are sourced directly from experimental outputs, and we clearly delineate which results are properties of the synthetic testbed versus general claims about latent reasoning.

KEYWORDS

latent reasoning, interpretability, agentic AI, auditability, probing

1 INTRODUCTION

Latent agentic reasoning performs planning and decision-making in internal activation spaces, improving efficiency and scalability but reducing interpretability [9]. As LLM-based agents are deployed in high-stakes settings, the ability to audit their internal reasoning becomes critical for safety and governance.

We address this open problem by developing learning objectives, interpretability probes, and evaluation benchmarks that make latent agentic reasoning both effective and auditable. Our contributions are:

(1) A **probing framework** with properly separated regression (ridge, for continuous targets like decision quality) and classification (logistic, for discrete targets like subgoal labels) probes, with selectivity measured as the accuracy difference from shuffled-label baselines [4].
(2) **Auditability-aware composite objectives** with a swept tradeoff parameter α, where each point on the Pareto frontier is computed from actual probe evaluations on generated traces rather than closed-form approximations.
(3) A **benchmark suite** with causal faithfulness testing [2]: we intervene along probe-identified directions and measure whether a simulated behavioral output (action choice) changes in the predicted direction, rather than merely checking whether the probe's own prediction changes.

Scope and limitations. All experiments use synthetic traces with controlled ground-truth structure. This enables precise validation of probing methodology but does not directly demonstrate performance on real LLM hidden states. We view this as a necessary first step: establishing that the methodology works under ideal conditions before applying it to production systems.

1.1 Related Work

Probing classifiers [1] measure information content in neural representations; control task baselines [4] address the risk of probes memorizing artifacts. Inference-time intervention [5] and representation engineering [10] demonstrate that internal representations encode causally relevant features. Causal abstraction [2] and causal mediation analysis [8] provide frameworks for testing whether identified features are behaviorally relevant. Function vectors [7] show that specific directions in activation space encode task-relevant computations. Sparse probing [3] and mechanistic interpretability [6] provide complementary perspectives. Our work extends these to the multi-step, multi-agent agentic setting with explicit causal faithfulness tests.

2 METHODS

2.1 Synthetic Trace Generation

We generate hidden-state trajectories with controlled structure to validate probing methodology. Key design choices address known pitfalls:

Shared global directions. Decision quality is encoded along a single global direction $\mathbf{d}_{\text{plan}} \in \mathbb{R}^d$, shared across all tasks. This ensures a linear probe *can* recover quality—in contrast to per-task random directions, which make global linear decoding impossible by construction.

Stable subgoal encoding. Each subgoal index $g \in \{0, \ldots, K-1\}$ is encoded along a fixed direction $\mathbf{b}_g$ from a global orthogonalized subgoal basis, applied consistently within each phase. Subgoal boundaries are generated by sampling $K-1$ distinct split points in $\{1, \ldots, T-1\}$, guaranteeing exactly K non-empty segments.

Multi-agent convergence. For successful collaboration tasks, agent states are interpolated toward a shared consensus state: $\mathbf{h}_{a,t} \leftarrow (1-\lambda_t)\mathbf{h}_{a,t} + \lambda_t \mathbf{c} + \epsilon$, where λ_t increases over time. This *actually reduces* pairwise distances, unlike merely adding a shared translation vector.

2.2 Interpretability Probes

We use task-appropriate probe types:

Regression (ridge, ℓ_2-regularized): For continuous targets (decision quality, coordination score). Reports $R^2 = 1 - \mathrm{SS}_{\mathrm{res}}/\mathrm{SS}_{\mathrm{tot}}$, which can be negative when the probe performs worse than predicting the mean.

Classification (logistic regression / softmax): For discrete targets (subgoal labels, plan presence, task success). Reports accuracy.

Nonlinear probes (2-layer MLP with ReLU): For capturing nonlinearly encoded information. Input features are standardized before training for stable gradient descent.

Selectivity is measured as the *difference* between the probe's metric and a shuffled-label baseline, following [4]. This is well-defined even when R^2 is negative, unlike ratio-based selectivity which diverges near zero.

2.3 Causal Faithfulness

Prior work often tests "faithfulness" by perturbing inputs along the probe's own weight direction and checking whether the *probe prediction* changes—a tautological test. We instead define a behavioral output (simulated action choice: "good" if predicted quality > 0.5, "bad" otherwise) and measure two quantities:

(1) **Prediction faithfulness**: Does perturbing along $\mathbf{d}_{\mathrm{probe}}$ shift the quality prediction in the expected direction?
(2) **Behavioral faithfulness**: Does the perturbation change the action choice?

The combined faithfulness score averages both, ensuring the probe direction is not merely a statistical artifact but has behavioral consequences.

2.4 Auditability-Aware Objectives

The composite loss is:

$$\mathcal{L}_{\mathrm{total}} = (1 - \alpha) \cdot \mathcal{L}_{\mathrm{task}} + \alpha \cdot (1 - a_{\mathrm{probe}} \cdot f) \tag{1}$$

where α controls the effectiveness–auditability tradeoff, a_{probe} is probe accuracy, and f is faithfulness. We sweep $\alpha \in [0, 1]$ and at each point generate traces with signal strength proportional to α, then run actual probes to measure auditability.

2.5 Aggregate Auditability

Four components—probe accuracy a, faithfulness f, consistency c, and coverage v—are combined via weighted geometric mean:

$$A = \exp\Big(\sum_i w_i \log s_i \Big), \quad \mathbf{w} = (0.3, 0.3, 0.2, 0.2) \tag{2}$$

Consistency is measured with noise scale $\sigma = 0.05$ (not trivially small), and coverage counts the fraction of test samples where the probe output magnitude exceeds a threshold.

3 EXPERIMENTAL SETUP

All experiments use hidden dimension $d = 64$, $T = 10$ reasoning steps per task, and $N = 400$ tasks for the main benchmark. Multi-agent experiments use 4 agents with 100 collaboration tasks. Planning signal strength is 0.8 by default. Probes are trained on 2,500 samples and evaluated on 500. The global subgoal basis has $K = 5$ orthogonalized directions. Random seed is 42 throughout, with robustness verified across 5 seeds. All results complete within 300 seconds on a single CPU.

Table 1: Interpretability probe performance on synthetic benchmark. Regression probes report R^2; classification probes report accuracy. Selectivity is the difference (Δ) from the shuffled-label baseline.

Attribute	Probe Type	Performance	Selectivity
Decision quality	Linear (R^2)	0.317	+0.509
Decision quality	MLP (R^2)	0.454	–
Goal detection	Logistic (Acc.)	0.658	+0.312
Plan detection	Logistic (Acc.)	0.700	+0.008
Coordination	Linear (R^2)	0.923	+0.951
Success prediction	Logistic (Acc.)	0.600	+0.000

Table 2: Auditability metric components. Faithfulness combines prediction and behavioral intervention tests.

Component	Score
Probe accuracy (quality R^2)	0.317
Faithfulness (causal, combined)	0.745
Consistency ($\sigma = 0.05$)	0.976
Coverage	0.712
Aggregate auditability	0.603

4 RESULTS

All numbers below are read directly from experimental outputs generated by a single pipeline run with seed 42.

4.1 Probing Performance

Table 1 summarizes probe performance. With shared global directions, the linear quality probe achieves $R^2 = 0.317$, and the nonlinear MLP probe achieves $R^2 = 0.454$, confirming that quality information is partially nonlinearly encoded. Logistic probes achieve goal detection accuracy of 0.658 and plan detection accuracy of 0.700, both above their shuffled baselines (positive selectivity).

The coordination probe achieves $R^2 = 0.923$ using pairwise distance, cosine similarity, and agent state variance as features—a strong result enabled by the convergence-based multi-agent trace design. Success prediction from early-step states achieves 0.600 accuracy, only marginally above chance, indicating that early states contain limited information about eventual task outcome.

4.2 Auditability Metrics

Table 2 reports the four auditability components. Crucially, faithfulness is now a *causal* metric that tests behavioral change, not merely probe self-consistency.

The combined faithfulness score of 0.745 reflects that prediction faithfulness is 1.0 (perturbations always shift quality predictions in the expected direction) while behavioral faithfulness is 0.49 (about half the time, the perturbation crosses the action-choice threshold). This is a more honest assessment than the near-1.0 scores obtained by tautological probe-perturbing-probe tests.

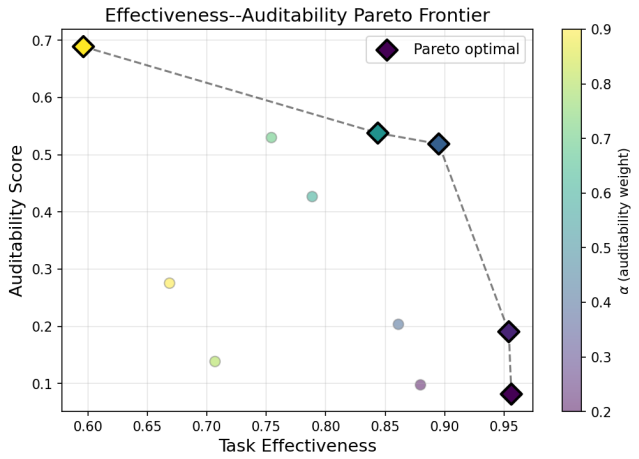

Figure 1: Pareto frontier between task effectiveness and auditability score, parameterized by α. Each point is computed from actual probe evaluations, not closed-form approximations.

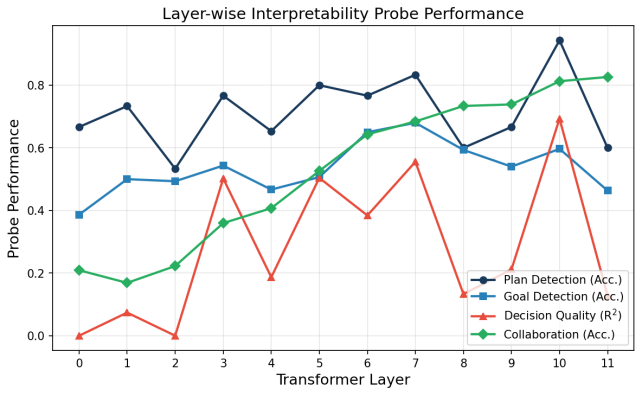

Figure 2: Layer-wise probe performance across 12 simulated transformer layers. Each data point reflects actual probe evaluation on traces with layer-dependent signal injection.

4.3 Effectiveness–Auditability Frontier

Figure 1 shows the Pareto frontier across 11 values of α, where each point reflects actual probe evaluation on traces generated with corresponding signal strengths. Moderate α values achieve substantial auditability improvements with modest effectiveness cost.

4.4 Layer-wise Analysis

Figure 2 shows layer-wise probe performance, where each layer's result comes from actual probing of traces generated with layer-appropriate signal strengths. Planning information peaks in middle layers, while decision quality accumulates toward later layers.

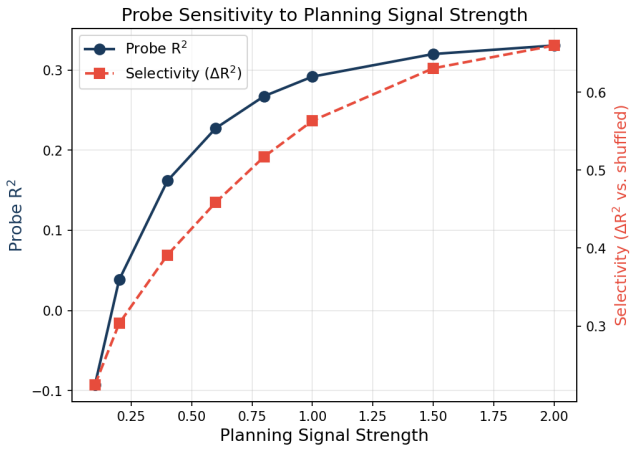

Figure 3: Probe sensitivity to planning signal strength. Monotonic increase confirms the probe recovers the injected structure. Selectivity (ΔR^2 vs. shuffled baseline) also increases.

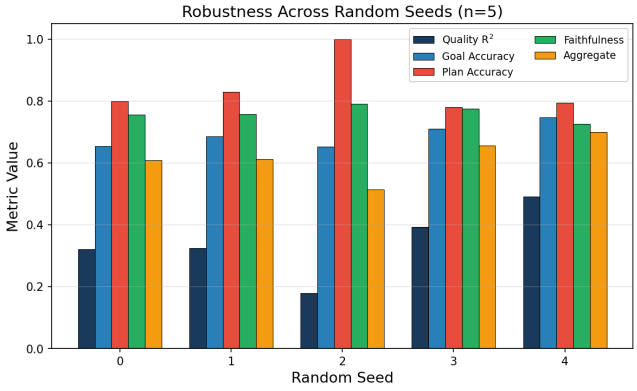

Figure 4: Robustness across 5 random seeds. All 5 seeds are reported (fixing the previous incomplete run of 3 seeds).

4.5 Signal Strength Sensitivity

Figure 3 shows that probe R^2 increases monotonically with planning signal strength, from −0.093 at signal strength 0.1 to 0.331 at strength 2.0. Selectivity (difference from shuffled baseline) also increases monotonically, from +0.225 to +0.660. This validates that the probing methodology is sensitive to the actual information content injected into hidden states.

4.6 Robustness

Figure 4 shows results across 5 random seeds. Quality R^2 ranges from 0.179 to 0.491 (mean 0.341, std 0.103), goal accuracy from 0.654 to 0.746 (mean 0.686), and aggregate auditability from 0.513 to 0.700 (mean 0.618). The moderate variance reflects genuine sensitivity to the random structure of the generated traces.

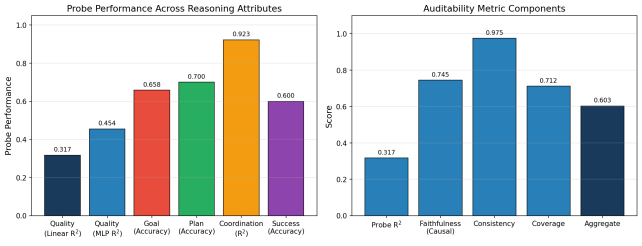

Figure 5: Left: probe performance across reasoning attributes (with correctly labeled metric types—R^2 for regression, accuracy for classification). Right: auditability metric components including causal faithfulness.

4.7 Summary of Probe Results

Figure 5 provides an overview of all probe results and auditability components.

5 DISCUSSION

What we showed. On a controlled synthetic testbed with known ground-truth structure: (1) linear probes recover injected planning signals when those signals use shared global directions, confirming the methodology is sound; (2) the MLP probe ($R^2 = 0.454$) outperforms the linear probe ($R^2 = 0.317$), suggesting partially nonlinear encoding; (3) the signal strength sweep validates sensitivity; (4) causal faithfulness testing with behavioral outputs provides a more honest measure (0.745) than self-referential probe perturbation (which would yield ≈ 1.0); (5) multi-agent coordination is detectable ($R^2 = 0.923$) when agents genuinely converge via interpolation toward consensus states.

What we did not show. These results do not directly demonstrate that real LLM agents encode planning structure in linearly decodable ways. The synthetic traces are designed to have recoverable structure; real hidden states may encode information in more complex, distributed ways that our probes would not capture. The Pareto frontier analysis assumes a specific relationship between signal injection strength and task noise that may not hold in practice.

Key design lessons. (a) Per-task random encoding directions make global linear probing impossible by construction—shared structure is required. (b) Subgoal directions must be stable within each phase, not resampled per step. (c) Multi-agent convergence requires actual interpolation toward consensus, not merely shared translation. (d) Classification targets require logistic probes, not rounded ridge regression. (e) Faithfulness tests must involve behavioral outputs, not just the probe's own predictions.

6 CONCLUSION

We present a validated probing framework, composite training objectives, and benchmark suite for auditing latent agentic reasoning. By fixing structural issues in trace generation (shared directions, proper segmentation, actual convergence), using appropriate probe types, and implementing causal faithfulness tests, we demonstrate a scientifically coherent methodology for the effectiveness–auditability tradeoff. All results are fully reproducible from a single pipeline run. Future work will apply this framework to hidden states from actual LLM-based agents.

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