

**Audit Checklist #5
Data Reliability Assessment**

ABOUT THIS CHECKLIST

The purpose of this checklist is to help auditors meet the Government Auditing Standards, generally referred to as the “Yellow Book”, for ensuring that computer-generated data are reliable when used to support audit work. The key steps in assessing reliability are:

- A. Determining how computer-generated data will be used and how they will affect the audit objectives.
- B. Finding out what is known about the data and the system that produced them, including a basic understanding of system risks and vulnerabilities that may affect the reliability of data.
- C. Testing the data for reliability (Reasonableness Test).
- D. Testing the data for reliability (Detailed Testing).
- E. Disclosing the data source and how data reliability was established or quality the report if data reliability could not be established.

The work described in this checklist should be done by auditors, analysts and examiners as an essential part of assignment planning. However, this checklist is not designed to be used for financial or application system audits.

INSTRUCTIONS FOR COMPLETING THE CHECKLIST

Answer the following questions by placing an X or a √ in the appropriate “YES” or “NO” boxes. If you have to provide a written answer, please use the space provided.

A. PRELIMINARY STEPS				
STEP	YES	NO	N/A	COMMENTS/REFERENCES
1. Is the audit a financial audit?				
2. Does the audit focus on the computer system(s), not the program that is relying on the computer system(s)?				
3. Are the data used solely as background information?				
<p>Note: If you answered "YES" to any of the above questions, this checklist should not be used. If you answered "NO" to all of these questions, continue to the next step.</p>				
B. REVIEW EXISTING INFORMATION				
<p><i>Interview the system owner for the system of record and obtain: (1) any reports from previous audits or reviews on the data or system of record, (2) the system certification and accreditation package, and (3) any independent evaluations performed on the system of record.</i></p>				
4. Did these reviews disclose any weaknesses in the underlying system operations affecting the data in question (i.e., the data the auditor plans to rely on)?				
5. Did these reviews contain immediate concerns over the quality (accuracy, timeliness and completeness) of the data in question?				

Note: If you answered “YES” to either of the above questions, consult with appropriate audit management to determine if you should continue to the next step and document the decision in the audit documentation. If you answered “NO” to all of these questions, continue to the next step.

C. CONDUCT REASONABLENESS TEST

Review data items and look for obvious errors concerning the data in question. This step should be performed on a judgmental basis with electronic files (e.g., Microsoft Access or Excel) or with a hard copy report. If the electronic files are too large, consult with available technical resources for assistance.

STEP	YES	NO	N/A	COMMENTS/REFERENCES
6. Are data missing in key fields?				
7. Are there any obvious calculation errors?				
8. Are the data outside of valid time frames?				
9. Are the data outside of a designated range?				
10. Is there any obvious duplication of records?				
11. Are there alphabetic characters in numeric fields (and vice versa)?				
12. Are there negative amounts in positive-only fields (and vice versa)				

STEP	YES	NO	N/A	COMMENTS/REFERENCES
13. Is there any illogical relationships of one data element to another?				
14. Are the data consistent with past trends? (This item is applicable when conducting recurring audits.)				
<p>Note: If you answered “YES” to any of the above questions, consult with audit management to determine if you should continue to the next step and document the decision in the audit documentation. If you answered “NO” to all of these questions, continue to the next step.</p>				
<p>D. CONDUCT DETAILED TESTING</p> <p><i>Determine the number of transactions that should be tested.</i></p>				
STEP	YES	NO	N/A	COMMENTS/REFERENCES
15. Are the data in question significant to the audit? (For example, the computer-generated data are highly significant if they are the only audit evidence. The significance is reduced if auditors rely on other sources of information, or corroborative evidence, to support the audit.)				
16. Do the data in question have a high level of impact? (For example, are the data used to influence congressional legislation?)				

STEP	YES	NO	N/A	COMMENTS/REFERENCES
17. Were there any significant weaknesses found during the review in steps B and C?				
<p>Note: If you answered "YES" to any of these questions, at least 30 transactions should be tested. If you answered "NO" to all of these questions, select a judgmental sample of at least 10 transactions for testing. Where available, consult with a statistician for sample selections in either case.</p> <p><i>To the extent possible, manually trace the sample of transactions (determined above) between source documents, if any, and computer generated reports to ensure the selected transactions have been properly entered into the system.</i></p>				
18. Did you find a significant number of problems?				
<p>Note: If you answered "YES" to the above question, you cannot rely on the computer-generated data in conducting your audit. Consult with audit management for alternatives and document the decision in the audit documentation. If you answered "NO" to the above question, continue to the next step.</p>				
19. Are complicated mathematic formulas programmed in the system to compile the data in question?				
<p>Note: If you answered "NO" to the above question, the computer-generated data are sufficiently reliable. If you answered "YES" to the above question, technical support may be necessary to finalize the assessment.</p>				
20. Did the technical specialist find any major problems with the system logic?				

Note: If you answered “YES” to the above question, consult with audit management to determine whether you can use the data in your audit and document the decision in the audit documentation. If you answered “NO” to the above question, the computer-generated data is sufficiently reliable.

E. DOCUMENTING THE COMPLETED CHECKLIST

This checklist should be clearly documented in the audit documentation or TeamMate and that the results of the data reliability check are reported in the audit scope and methodology.