

# **Urgent Medical Device, Inc.: A Teaching Case Designed to Integrate Data and Analytics in the Financial Statement Auditing Classroom**

By

Allen Blay – Florida State University

Jay C. Thibodeau – Bentley University

## **Background**

Urgent Medical Device, Inc. (the Company) is a medical device company founded in 2013 in Provo, UT that specializes in the development and manufacturing of cutting edge medical devices designed for all types of joint replacement surgeries. In January 2015 the FDA approved Urgent's premier product, a hinged titanium axle designed to provide physicians with more precise placement of joints during joint replacement surgery.

In early 2016, approximately one year after the new product's approval, the Company hired a new Senior VP (SVP) of Sales to oversee sales, physician training, product delivery, and customer service. The broad set of responsibilities allowed the charismatic SVP to significantly influence the Company's revenue generation. The hiring of the new SVP was also done in large part to help guide the company's development of an important new sales channel: third-party distributors that are each strategically located in close proximity to key hospitals in regions around the country.

The move to hire the SVP was in direct response to overwhelming disappointment about the first year's sales volume for the new surgical implant, which was lagging significantly behind expectations. Reports from the field had led management to recommend the new sales channel to the Board of Directors which overwhelmingly approved the new strategy, the execution of which was being led by the new SVP.

## **Execution of Strategy**

To help execute the new strategy, the SVP hired five regional sales managers who would become his trusted cohorts. Together, they set aggressive sales targets for the Company's surgical implants. The sales targets focused on achieving a growth pattern which was characterized by a record high sales volume for each successive quarter in each region. In fact, it is fair to say that the sales targets were intentionally created at almost unreachable levels to remove any questions about possible weakness in demand for the Company's new product.

The strategy focused on the development of a new sales channel with third-party distributors. Each of the distributors had already established close relationships with the physicians that were actually using the product during surgical procedures. To help pay for the launch of their new product, along with the execution of the new strategy, the Company was also working hard to raise a significant amount of new investment capital to fund the resulting increased operating costs. In order to be successful in attracting the new investment capital, top management made it clear to the SVP how important it was to report strong sales for its premier product, the surgical implant

for titanium joints. The SVP, in turn, passed along the same message to the regional sales managers.

### **Management control philosophy**

The upper management team of Urgent can be described as being aggressive in business practices and often emphasizes speed and efficiency when implementing their decisions. Management rarely hires external consultants because they are of the opinion that consultants are too expensive and often follow a conservative approach. The upper management team meets regularly with its key managers. In general, the upper management team has cooperated with the audit team in order to provide fair and adequate financial reporting, but there have been disagreements in the past. The Company has a strict policy for following all established internal control procedures.

### **Incentive Compensation**

Top management focuses significant attention on achieving short-term performance measures based on the audited financial statements when determining compensation and making promotion decisions. Revenue earned is the most important criterion in performance assessment throughout the organization. As part of the launch of its new surgical implant, a new bonus plan was established to provide additional incentives for the entire organization to focus on this new opportunity, with revenue earned as the key criterion used to determine incentive compensation.

### **Preliminary Results**

Despite the SVP's optimism about sales in 2017, internal reports have indicated that the actual sales volume of the surgical implant was well below budget each quarter. The SVP responded to these reports by repeatedly communicating his disappointment to the regional sales managers. Furthermore, he consistently warned that if the team could not boost sales, the Company would likely not be able to raise additional investment capital and would then be forced to significantly downsize its headcount.

Unfortunately, boosting revenue of the new surgical implants was not as simple as merely shipping the product to distributors. The distributors were hesitant to purchase product until the sale to the final customer was finalized as the distributors did not want to be stuck with the inventory on their own balance sheets. Further, the terms of the sales do not include any refund or rebate conditions. In addition, the Company has no intention of changing those terms and accepting any returns. Therefore, any sales to distributors are final.

By the end of 2017, the Company had signed on a total of 73 distributors to sell its surgical implants in more than 20 different states throughout the U.S. Each distributor was independently owned and operated but the company routinely shared best practices among its network. The SVP monitored sales closely from the distributor network through his regional sales managers. In fact, he even maintained a monthly sales report from each of the 73 distributors.

The Company invoices customers when the goods are shipped, and invoicing triggers the recording of revenues. The Company does not include freight costs in sales revenue, but does offset shipping costs with any freight charged to customers.

The following relevant financial data is taken from the Company's unaudited trial balance, which as used to produce the unaudited financial statements:

Sales Revenue, Year ended 12/31/2017	\$84,867,855
Gross Accounts Receivable, 12/31/2017	\$11,988,886

### **Audit Approach**

Your audit team is currently in the midst of year-end testing in the revenue and accounts receivable cycle for the audit of the calendar year 2017 financial statements. Your testing will focus on the existence/occurrence, cut-off, and accuracy assertions for sales revenue, as well as the existence and valuation assertions for accounts receivable. As relationships with third-party distributors generally require significant contract analysis to ensure the appropriateness of when revenue is recognized, the audit team expects more hours to be spent this year testing revenue and accounts receivable as compared to the prior year. In addition to the procedures you will perform, the audit team will also confirm accounts receivable and perform other procedures according to the audit plan. The audit team has assessed the risk of material misstatement (RMM) for each relevant assertion in order to determine the nature, timing, and extent of the procedures to be performed at Urgent.

Other members of the audit team have already completed a walkthrough of the revenue and accounts receivable processes, identified "what could go wrongs" within the process, and identified the controls that have been placed in operation to mitigate the risks. Based on the work performed, the team decided to test the operating effectiveness of certain key controls during interim testing. The results are found below.

### **Tests of Controls – Revenue and Accounts Receivable Cycle - Interim**

There are four key application controls tested at interim. Prior to testing the application controls, the information technology (IT) auditors tested the general controls (GITCs) over program changes, access to programs, and computer operations that are relevant to the revenue and accounts receivable cycle. The GITCs were found to be effective and can be relied upon to support the effective operation of application controls. In addition, the IT auditors tested the system to make sure that proper segregation of duties occurred throughout the period and that controls over data input, data integrity and the completion and accuracy of data used in the four application controls were operating effectively. No exceptions were noted in the testing performed by the IT auditors and the team decided to test the four key application controls.

The first control is an automated 3-ways sales match. The control matches the details from 1) an approved sales order; 2) relevant shipping documents; and 3) the sales invoice before revenue is recorded. The control has been designed to support the existence/occurrence assertion for revenue. A test of the control's operating effectiveness was conducted at interim. No exceptions were noted.

The second control requires the credit department at Urgent to conduct a detailed credit check for all new customers, including the new distributors. To do so, the credit department obtains information from the customer that allows for a comprehensive review of the financial condition of the new customer, and an assessment of the customer's capacity to pay outstanding invoices. The control culminates with an approval of the new customer and the establishment of a credit limit by the credit department manager based on the information reviewed. A test of the control's operating effectiveness was conducted at interim. No exceptions were noted.

The third control is an automated sales authorization control. When a sales order is entered into the system, the amount of the sale is added to the existing accounts receivable balance for that customer. The sum is then compared to the customer's credit limit. If the sum is greater than the credit limit, the sale is not approved. If the sum is less than the credit limit, the sale is approved. A credit manager notes the approval and authorizes shipment by electronically entering their initials into the system, which gets posted into the sales order database. A test of the control's operating effectiveness was conducted at interim. No exceptions were noted.

The fourth control is a monthly review of the adequacy of the allowance for doubtful accounts, completed by the controller. On a monthly basis, the controller reviews the aging of accounts receivable report produced by the company's information system. During the review, the controller identifies for follow up all balances greater than 90 days past due for consideration in the allowance calculation. A test of the control's operating effectiveness was conducted at interim. No exceptions were noted.

### **Roll-Forward Period**

By the end of the third quarter of 2017, sales revenue for the company's premier surgical implant was still lagging far behind expectations. To help ensure that Urgent delivered impressive fourth quarter revenue numbers, the entire sales team, led by the SVP and the regional sales managers, began to exert pressure on a number of distributors in an attempt to improve sales in 2017. This effort seemed to be paying off as the sales team successfully persuaded more than a dozen distributors to purchase product in advance of final customer demand.

These circumstances presented a problem for the Company, because the distributors began to ask for concessions from Urgent Medical. For example, in order to persuade the distributors, the Company agreed to hold the inventory in their own warehouse.

The SVP's actions led to a dramatic increase in revenue for the fourth quarter of 2017. In fact, sales increased year-over-year by 214% for the fourth quarter alone. The upward trajectory of sales revenue helped the Company raise the much needed investment capital as Urgent issued more than 10 million shares of common stock for \$40 million in early 2018.

Most importantly, roll-forward testing procedures were completed for each of the four key application controls. No exceptions were noted in the roll-forward procedures. Thus, the audit team concluded that the controls were operating effectively throughout the year.

## **Substantive Testing – Revenue and Accounts Receivable Cycle - Final**

As a result of the tests of controls, the audit team assessed the control risk as low for the existence/occurrence, cut-off and the accuracy assertions for revenue and the valuation assertion for accounts receivable. Since the recognition of revenue is a presumed fraud risk, along with the significant risk of sales cut-off related to the launch of the new surgical implant, the audit team concluded that fraud risk related to the timing of revenue recognition over period end is high. Overall, based on the control risk assessment as low and the inherent risk assessment of high, the overall assessment of RMM is moderate for each of the assertions. In response to the RMM assessment, the audit team has asked that you complete a number of substantive testing procedures. In addition, since your manager is trying to improve the efficiency and effectiveness of substantive testing, you have been asked to use two technological tools, IDEA and Tableau, to facilitate identification of potential concerns related to the substantive testing for the revenue and accounts receivable cycle. Urgent has provide you with the following databases to facilitate your testing.

### **Database Definitions for Data Provided**

- 1) **SalesOrders** – Urgent has provided the SalesOrders database, which includes a master listing of all customer orders placed during the year. The client has informed you that the database also includes sales orders from the prior year that were not completed until the current year, as well as orders taken this year that were not delivered to customers as of 12/31. This database is also the client’s primary database for the 3-way match control. When an order is shipped or invoiced, the system automatically posts the ShipID or InvoiceID to the SalesOrders database.

<b>Column Name</b>	<b>Column description</b>	<b>Field type</b>
SalesOrderID	Customer order number – Primary Key	Numeric (int)
OrderDate	Date the customer order was created	Date MM/DD/YYYY
ProdID	Product Number. Foreign Key to Products.ProdID	Character
CustID	Distributor Number. Foreign Key to CustomerMaster.CustID	Numeric (int)
TerritoryID	Territory in which the sale was made. Foreign key to SalesTerritory.TerritoryID	Numeric (int)
Quantity	Quantity Ordered	Numeric (int)
UnitPrice	Price per unit	Numeric (dollars)
SubTotal	Sales subtotal, amount included in Sales Revenue	Numeric (dollars)
TaxAmt	Tax amount	Numeric (dollars)
Freight	Shipping Cost	Numeric (dollars)
TotalDue	Total due from customer, amount posted to Accounts Receivable	Numeric (dollars)
CredApr	Credit Approval – Initials of CM	Character
ShipID	Shipping ID number – Foreign key to Shipments.ShipID	Numeric

InvoiceID	Invoice ID number – Foreign key to Invoice.InvoiceID	Numeric
ModifiedDate	Date the row was last updated	Date MM/DD/YYYY
ModifiedTime	Time the row was last updated	Time (24 hour)

- 2) **Shipments** – Urgent has provided you with the Shipments database, which includes a listing of all shipments made during fiscal 2017, as well as shipments of products ordered during 2017 and not shipped until 2018.

Column Name	Column description	Field type
ShipID	Shipping ID Number – Primary Key	Numeric (sequential int)
SalesOrderID	Sales order number - Foreign key to SalesOrders.SalesOrderID	Numeric (int)
ShipDate	Date of shipment	Date MM/DD/YYYY
ShipWeight	Total Weight of Shipment	Numeric (int)
Carrier	Shipping Carrier	Character
ModifiedDate	Date the row was last updated	Date MM/DD/YYYY
ModifiedTime	Time the row was last updated	Time (24 hour)

- 3) **CustomerInvoices** – Urgent has provided you with the CustomerInvoices database, which includes a listing of all invoices issued during 2017, as well as invoices for sales orders taken during 2017, but not delivered to customers until 2018.

Column Name	Column description	Field type
InvoiceID	Invoice number – Primary Key	Numeric (sequential int)
CustID	Distributor ID number - Foreign key to CustomerMaster.CustID	Numeric (int)
InvoiceDate	Date of sales invoice	Date MM/DD/YYYY
SalesOrderID	Sales Order ID – Foreign key to SalesOrders	Character
PaidDate	Date invoice paid, 9/9/9999 is unpaid	Date MM/DD/YYYY
ModifiedDate	Date the row was last updated	Date MM/DD/YYYY
ModifiedTime	Time the row was last updated	Time (24 hour)

- 4) **SalesTerritory** – Urgent has provided you with this database listing the sales territories, as well as the sales goals for the 4<sup>th</sup> quarter 2017 for all territories.

Column Name	Column description	Field type
TerritoryID	Territory Identification Number – Primary Key	Numeric (int)
TerritoryName	Name of Sales Territory	Character
SalesVP	Name of Sales VP for Territory	Character

SalesGoalQTR	Quarterly Territory Sales Goal	Numeric (dollars)
ModifiedDate	Date the row was last updated	Date MM/DD/YYYY
ModifiedTime	Time the row was last updated	Time (24 hour)

- 5) **CustomerMaster** – Urgent has provided you with the CustomerMaster database, which is a listing of all distributors. It classifies distributors by territory, and also includes the most current credit limit for the customer. This credit limit is used for the automated credit limit check control.

Column Name	Column description	Field type
CustID	Distributor ID number – Primary Key	Numeric (int)
TerritoryID	Territory in which the customer is located. Foreign key to SalesTerritory.TerritoryID	Numeric (int)
CustName	Distributor Name	Character
ShipAddr	Distributor Shipping Address	Character
BillAddr	Distributor Billing Address	Character
CredLimit	Credit Approval Limit	Numeric (dollars)
ModifiedDate	Date the row was last updated	Date MM/DD/YYYY
ModifiedTime	Time the row was last updated	Time (24 hour)

- 6) **Products** – Urgent provided the Products database, which includes a listing of all products currently manufactured and sold by the company. The UnitPrice is the current verified selling price and is automatically populated in SalesOrders when a customer places an order. Similarly, the Weight determines the freight charged to customers.

Column Name	Column description	Field type
ProdID	Product ID number – Primary Key	Numeric (int)
ProdName	Product Name	Character
SafetyStockLevel	Minimum inventory quantity	Numeric (int)
ReManPoint	Inventory level that triggers manufacturing additional product	Numeric (int)
StandardCost	Standard manufacturing cost of product	Numeric (dollars)
UnitPrice	Selling price	Numeric (dollars)
Weight	Shipping Weight of Product	Decimal (8,2)
DaysToMan	Number of days required to manufacture the product	Numeric (int)
SellStartDate	Date the product was available for sale	Date MM/DD/YYYY
ModifiedDate	Date the row was last updated	Date MM/DD/YYYY
ModifiedTime	Time the row was last updated	Time (24 hour)

Your firm's Data and Analytics center has already converted the files, as provided by the client, into Excel format. As such, the contents and format of the databases you have been provided are exactly the same as they were provided by the client.

Start Here

Sales Summary View

3 Way Match  
Dashboard

3 Way Match Test

Sales by  
Territory



# Urgent Medical Device Use Case





Year of Invoice Date: All | Qtr of Invoice Date: All | Territory Name: Multiple values | Sales: \$1.4M - \$8.3M

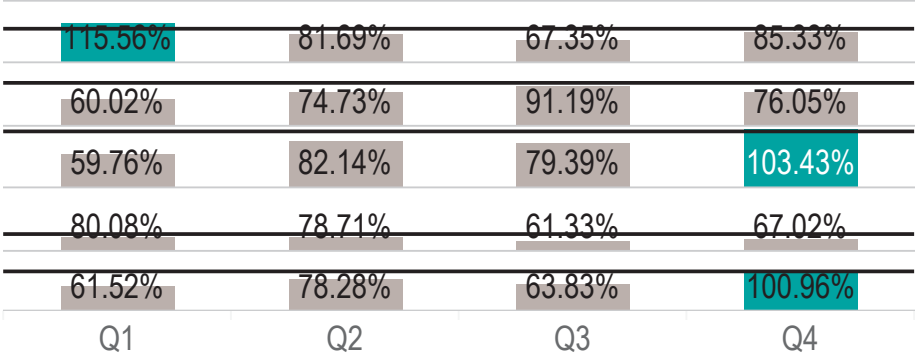


### Sales by Territory by Quarter

	Q1	Q2	Q3	Q4
Midwest	\$5.5M	\$3.9M	\$3.2M	\$4.1M
Northeast	\$3.6M	\$4.5M	\$5.5M	\$4.6M
Southeast	\$4.8M	\$6.6M	\$6.4M	\$8.3M
Southwest	\$1.8M	\$1.8M	\$1.4M	\$1.5M
West	\$3.5M	\$4.5M	\$3.7M	\$5.8M

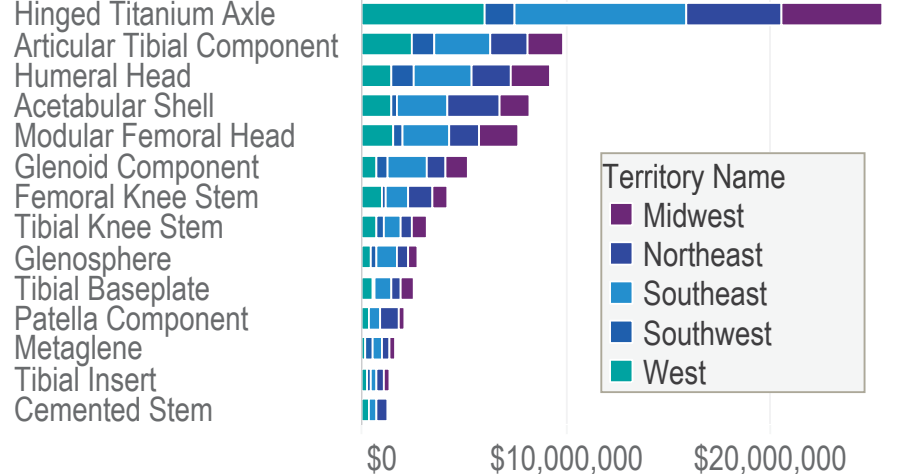
### Sales by Territory

| = Sales Goal ■ = Sales

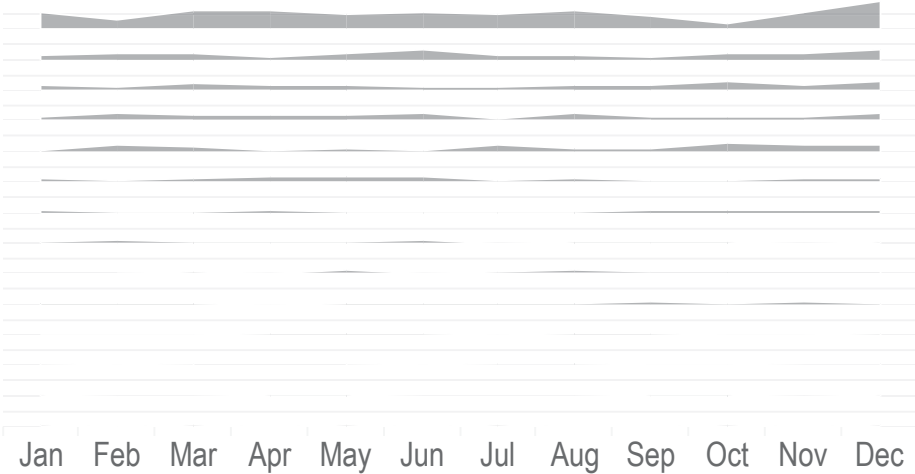


### Product Sales

click to filter timeline ▶



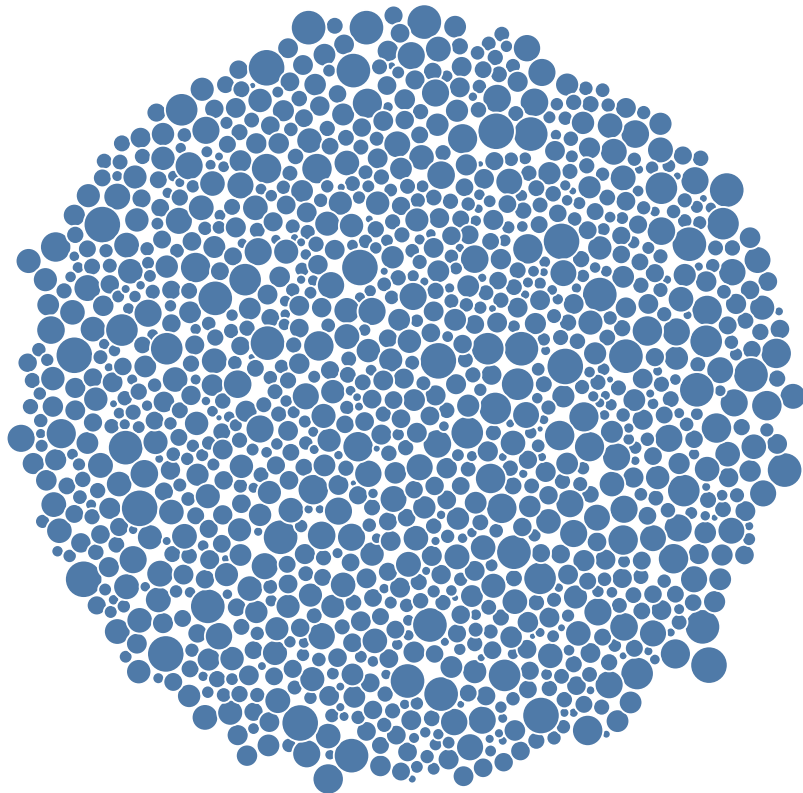
### Product Sales Timeline



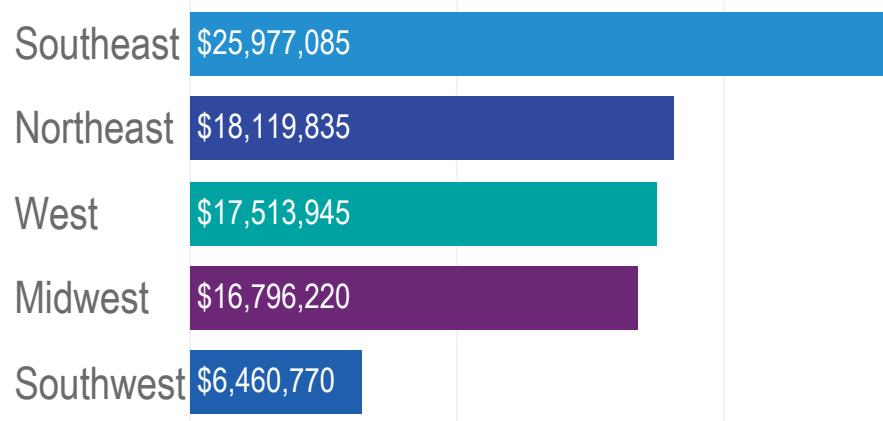
- Midwest
- Northeast
- Southeast
- Southwest
- West



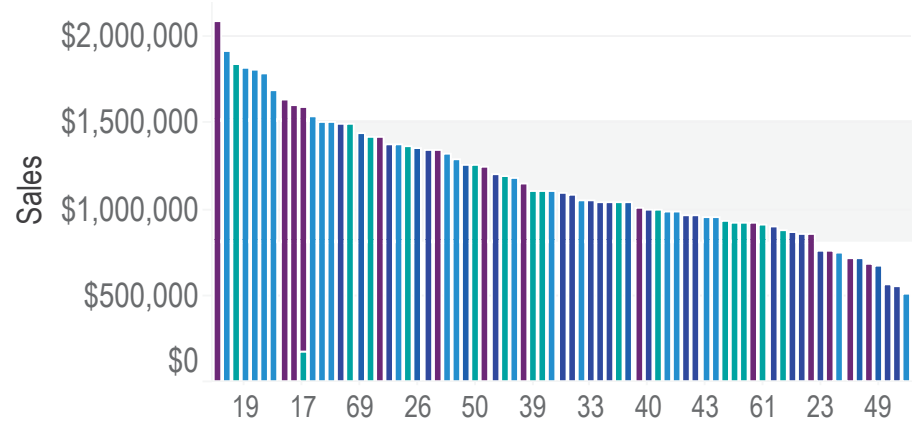
### 3 Way Match II



### Sales by Territory



### Sales by Distributor



Sales Summary  
View

3 Way Match  
Dashboard

3 Way Match Test

Sales by Territory

Sales by Distributor



3-Way Match Present in Sales  
Order Database

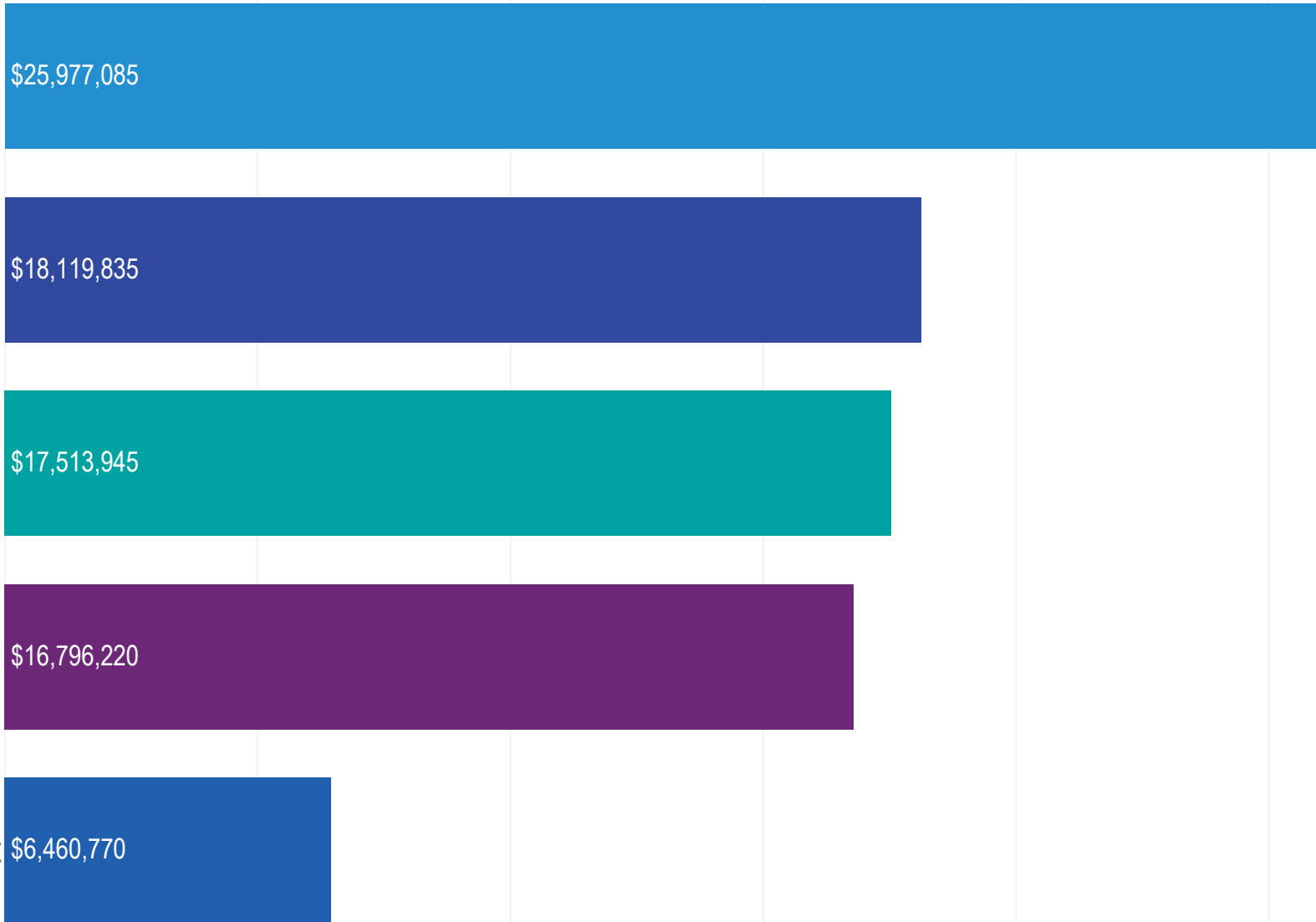
Southeast \$25,977,085

Northeast \$18,119,835

West \$17,513,945

Midwest \$16,796,220

Southwest \$6,460,770



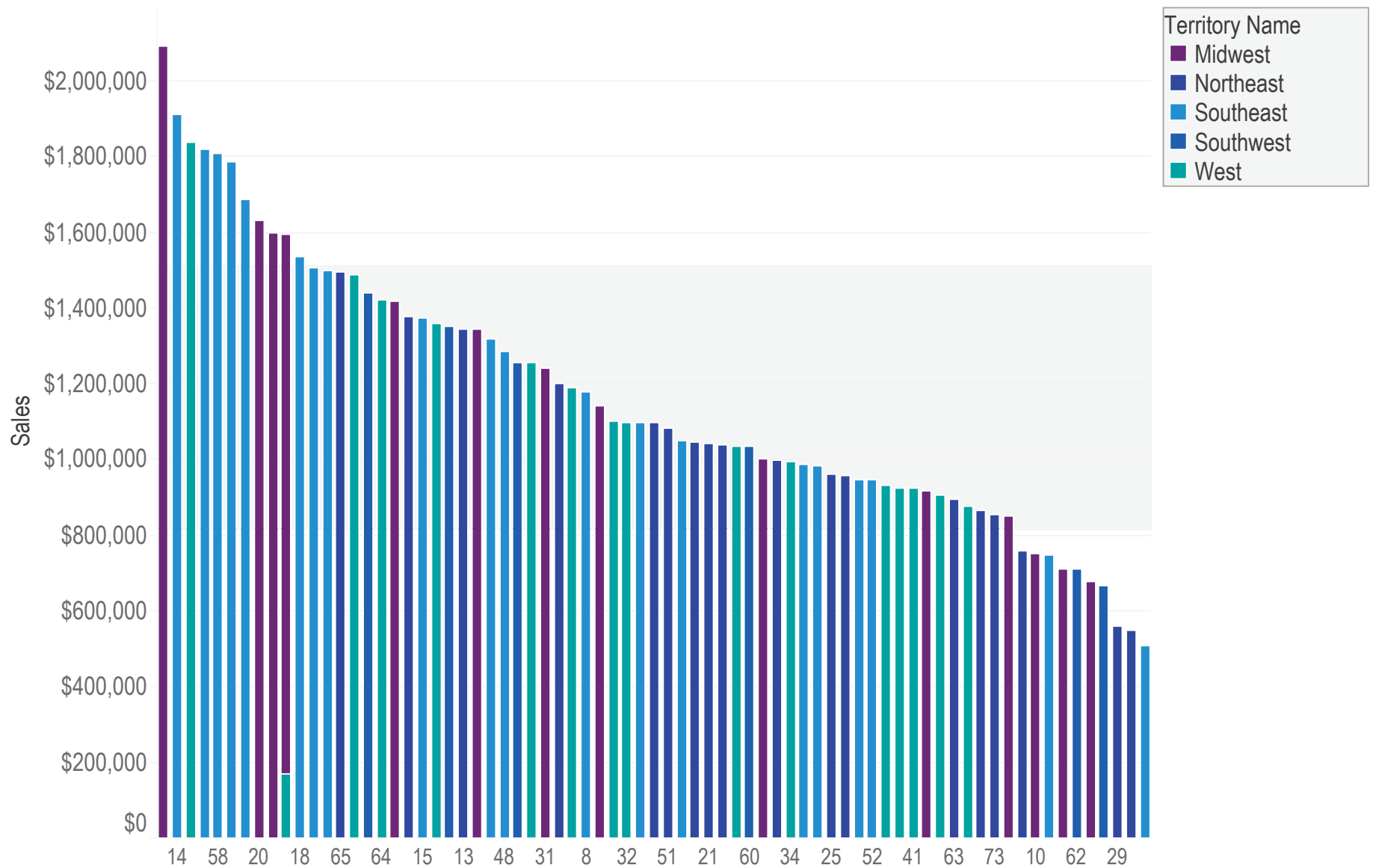
3 Way Match  
Test

Sales by Territory

Sales by Distributor

Sales by Quarter

Sales by Quarter  
for Each Territory



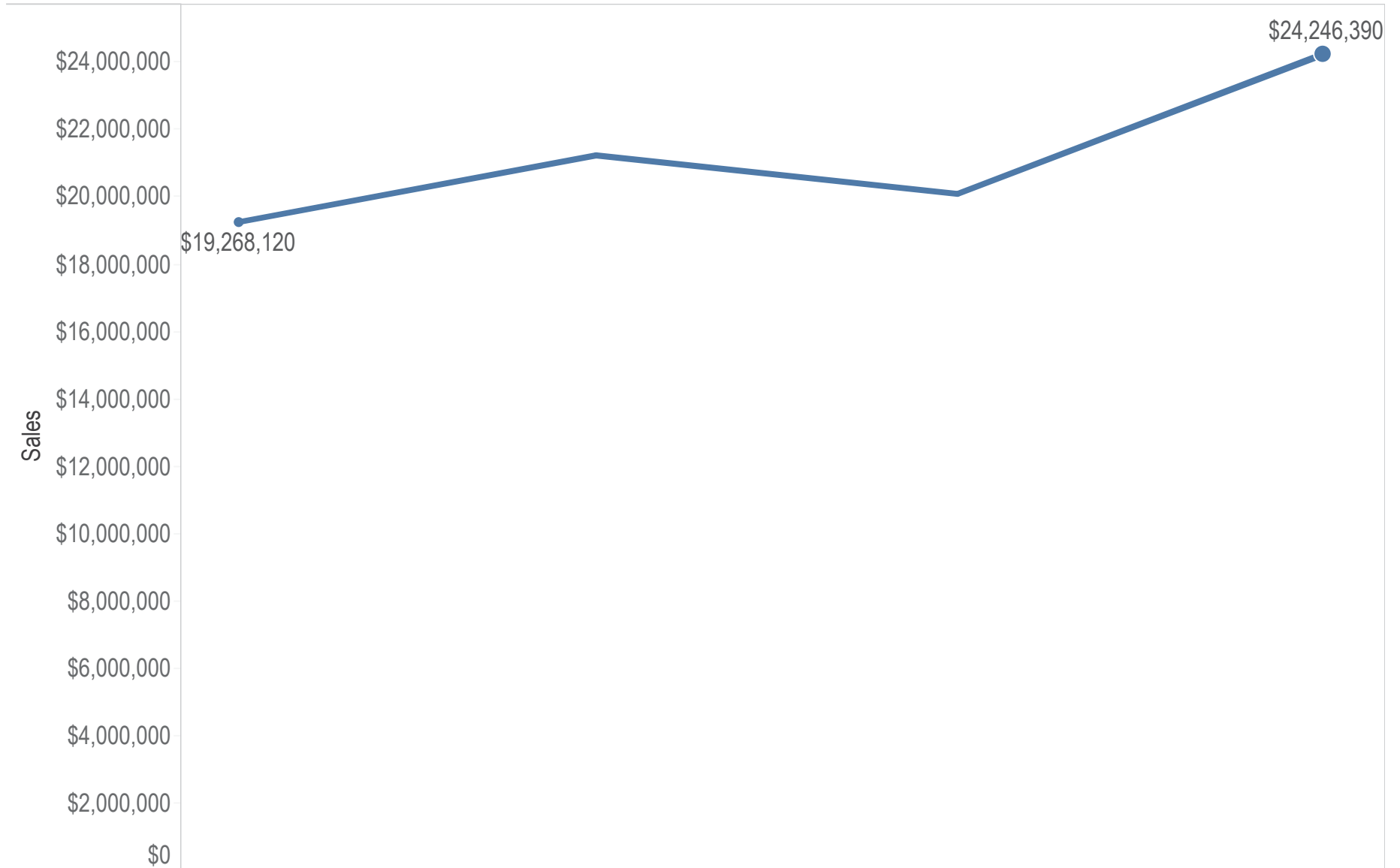
Sales by Territory

Sales by Distributor

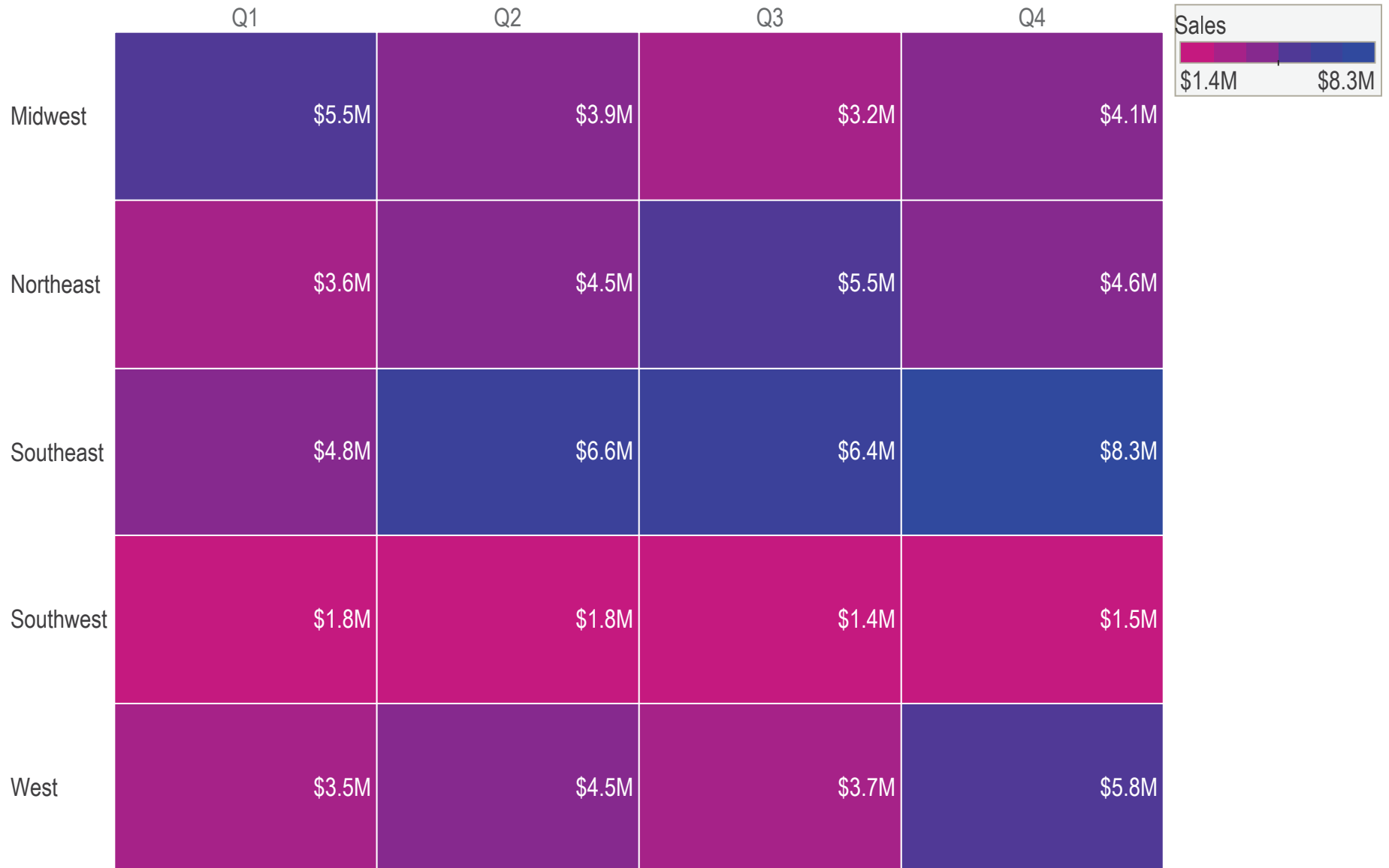
Sales by Quarter

Sales by Quarter for  
Each Territory

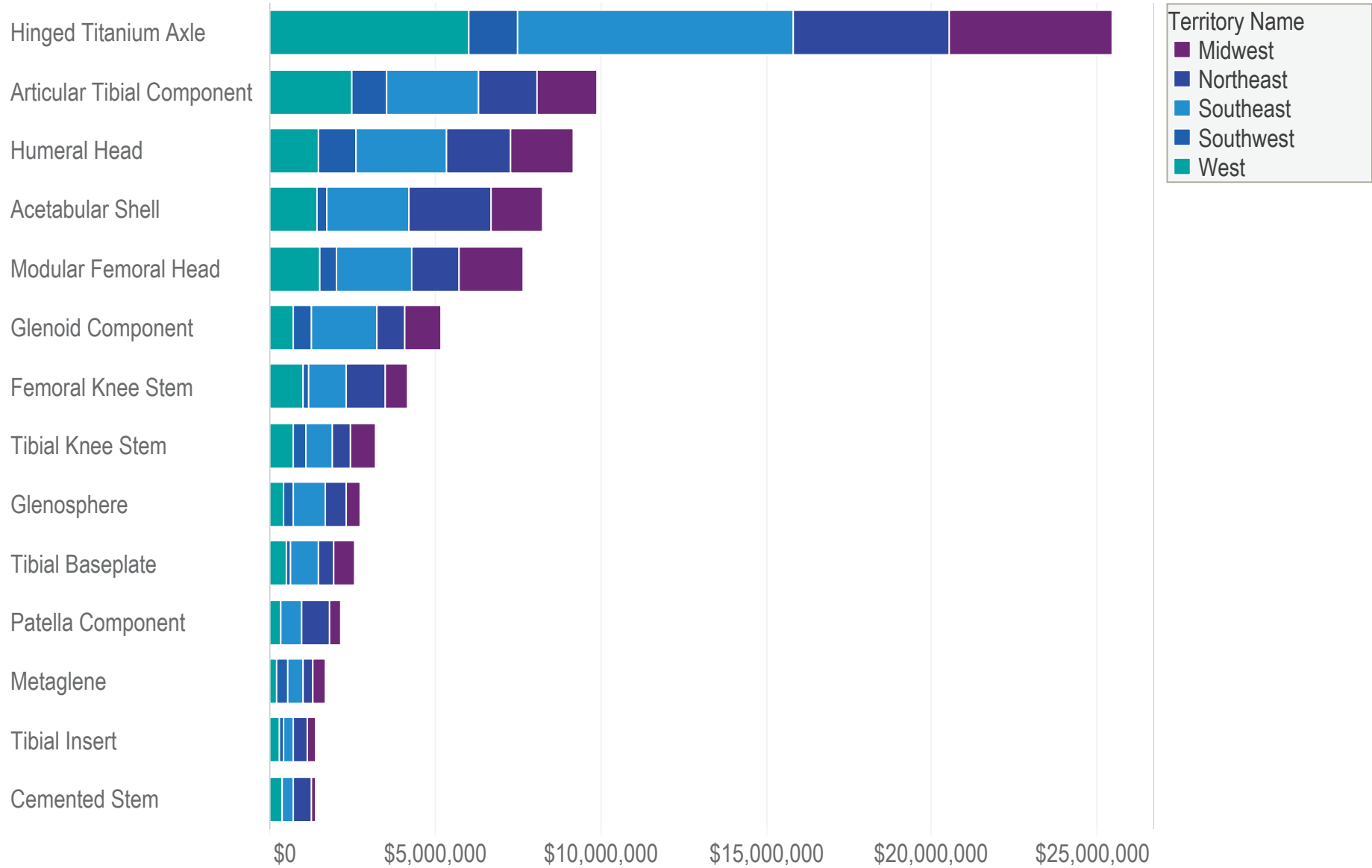
Product Sales by  
Territory



Sales by Distributor	Sales by Quarter	Sales by Quarter for Each Territory	Product Sales by Territory	4th QTR Sales by Territory
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Sales by Quarter      Sales by Quarter for Each Territory      Product Sales by Territory      4th QTR Sales by Territory      4th QTR Sales vs Sales Goals





Sales by Quarter  
for Each Territory

Product Sales by  
Territory

4th QTR Sales by  
Territory

4th QTR Sales vs  
Sales Goals

Sales by Q by  
Territory vs 4th Q ..

Southeast

\$8,274,225

West

\$5,805,140

Northeast

\$4,563,280

Midwest

\$4,095,690

Southwest

\$1,508,055

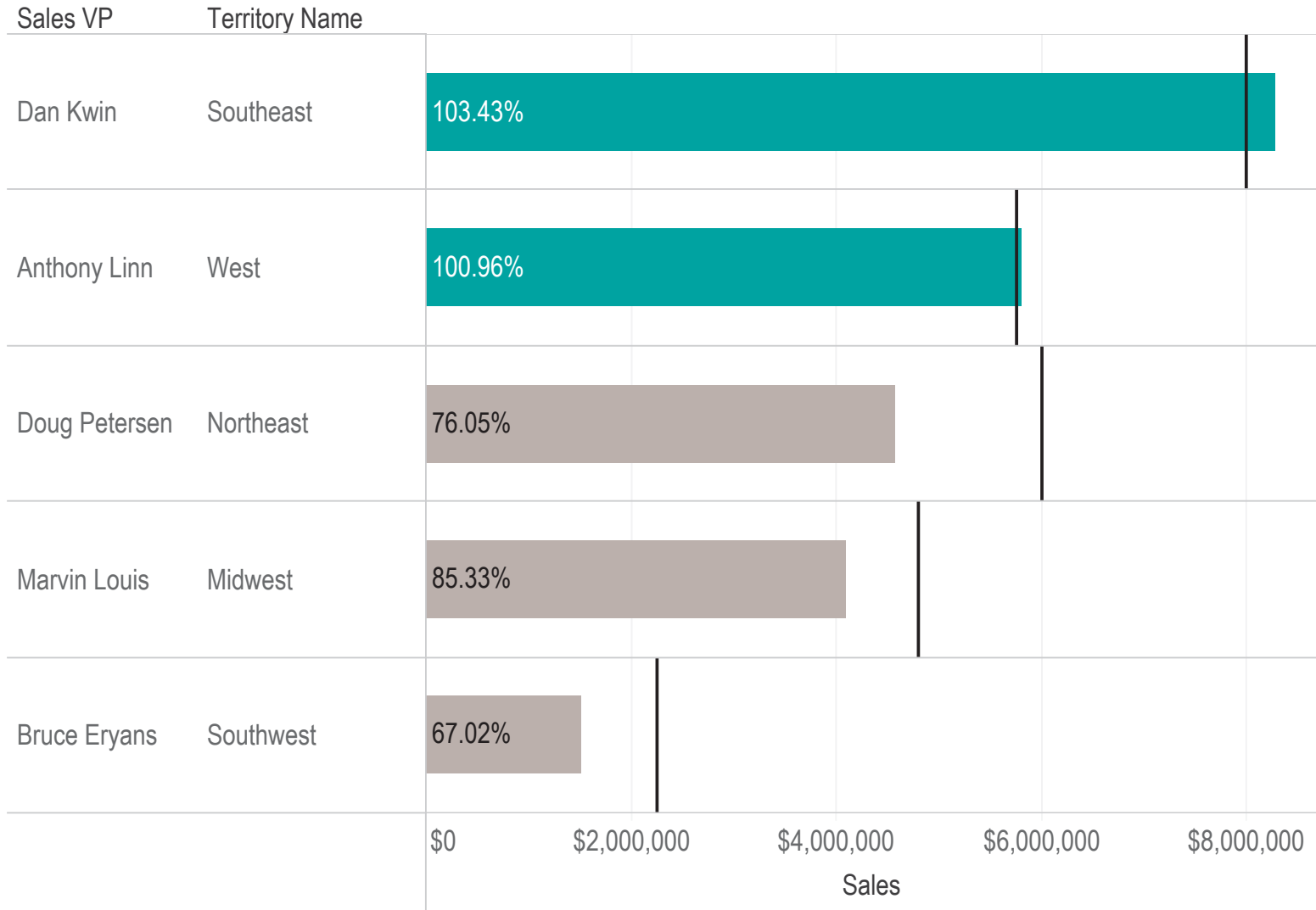


## Sales 4th Qtr vs Budget

| = Sales Goal  = Sales

Year of Invoice Date  
2017

Qtr of Invoice Date  
Q4

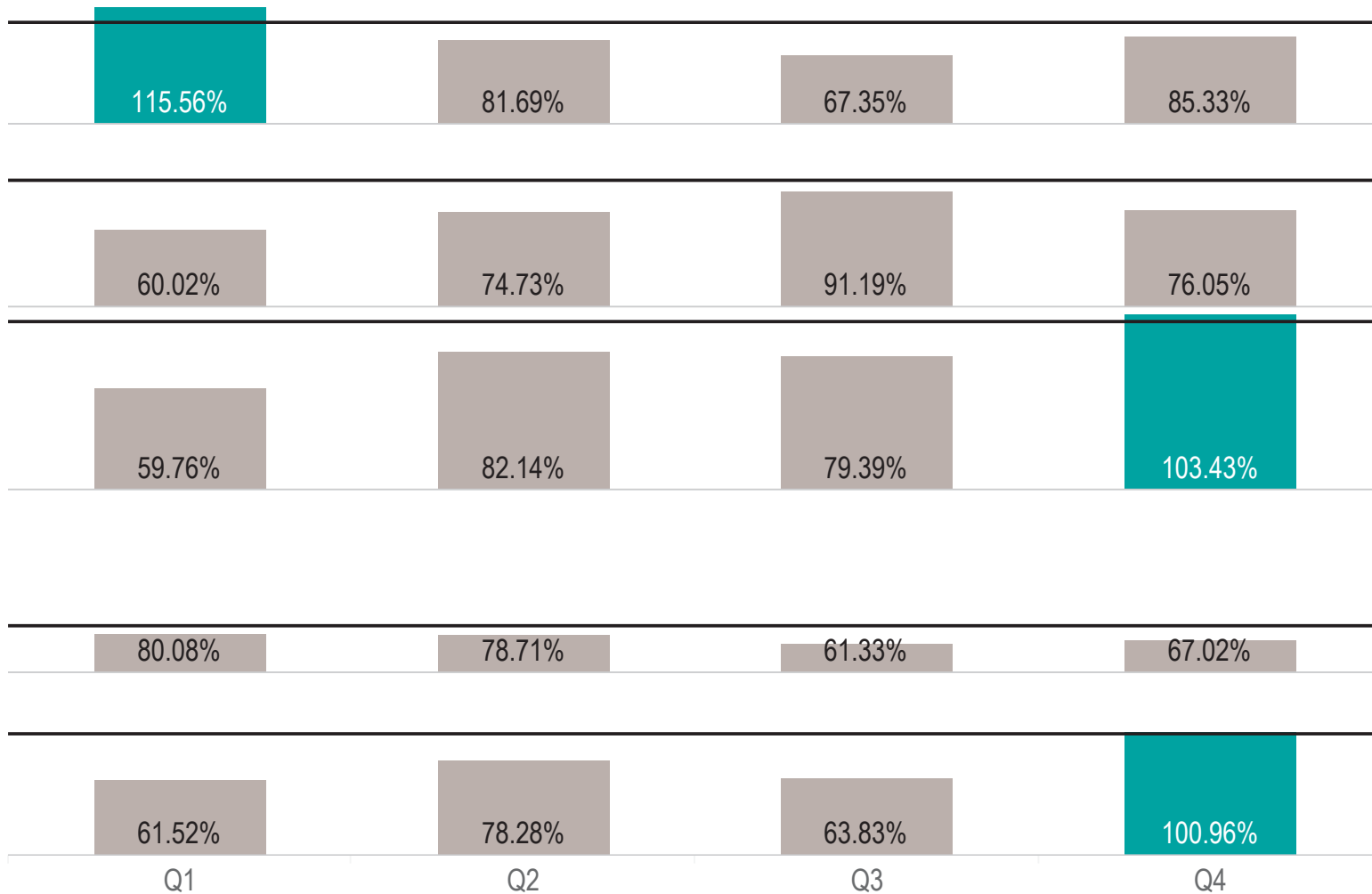


## Sales by Territory

| = Sales Goal ■ = Sales

Year of Invoice Date  
2017

Qtr of Invoice Date  
Multiple values



## Requirements

- 1) According to the professional auditing standards, an audit team should ordinarily presume that revenue recognition is a fraud risk. Complete the following steps.
  - a. Based on your understanding of fraud risk assessment and the case information, identify at least three specific fraud risk factors related to Urgent. Classify these risks in terms of What Can Go Wrong (WCGW) with each of the significant accounts and relevant assertions identified for Urgent's revenue and accounts receivable cycle.
  - b. What do you believe is the most significant risk related to the revenue account for Urgent?
  - c. What special audit considerations would you propose in response to the significant risk you identified above? In your response, consider how you would change your approach to the nature, timing and extent of evidence in response to the identified risk.
- 2) Based on the tests of controls and other Information Technology General Controls (ITGC) testing, your firm has concluded that the data files supplied to you for your procedures are complete and accurate. The conclusion was based on tests of controls over data input risks including all relevant data elements (e.g., invoice date), data integrity risks, and the relevant automated application controls. However, it is also important to confirm that the data, once imported into IDEA or Tableau, was transferred into the technology tool in a complete and accurate manner prior to working with the data within the technology tool. Import all supplied data into IDEA and then reconcile the data with the supplied trial balance and check figures from the case. Simply stated, you must check that the data has been transferred in a complete and accurate manner at each step in the process. Thus, to ensure that you are working with the set of transactions and balances that the client used to calculate Sales Revenue and Accounts Receivable, answer the following questions:
  - a. What are the total number of valid sales that comprise the \$84,867,855 Sales Revenue shown on the trial balance as of 12/31/2017?
  - b. What are the total number of unpaid invoices that comprise the \$11,988,886 Gross Accounts Receivable balance shown on the trial balance as of 12/31/2017?
- 3) Data visualization tools such as Tableau can be used to help audit teams identify items or specific areas of higher risk within an entire population. Your data and analytics center has provided you with a set of Tableau visualizations to consider during your substantive testing procedures:
  - i. 3-way match of SalesOrderID, InvoiceID, and ShipID based solely on SalesOrders database
  - ii. Sales by territory
  - iii. Sales by distributor
  - iv. Sales by quarter

- v. Sales by territory by quarter
- vi. Product sales by Territory
- vii. 4<sup>th</sup> Quarter Sales by Territory
- viii. Sales vs. Sales Goals for 4<sup>th</sup> quarter by Territory
- ix. Sales by quarter by Territory vs 4<sup>th</sup> Q Sales Goals

- a. Using the data visualizations provided in Tableau, compose a memo to be included in the audit documentation file that identifies any patterns in the data that you believe may be indicative of specific audit risks. In your memo, be sure to link the identified risks to the appropriate significant account and relevant assertions.
  - b. Based on the analysis completed above, what further testing, if any, needs to be performed over the identified risks and the remaining population? Stated differently, do any further tests need to be performed or does the 3-way match visualization, combined with your tests of controls and additional visualizations, provide you with sufficient appropriate evidence to conclude about the occurrence of revenue at Urgent?
- 4) Technology tools like IDEA can also be used to help audit teams identify items with potentially higher risks within an entire population of items in an efficient and effective manner. With this in mind, complete the following steps.
- a. The SalesOrder database was used to produce a Tableau visualization of 3-way match in the revenue cycle as described in the previous requirement. Using IDEA, verify the accuracy of the SalesOrder database by creating a 3-way match on your own using the SalesOrder, Shipments, and CustomerInvoices databases. Are your conclusions the same? If so, how does this increase your assurance about the accuracy of the SalesOrder database? If not, why not? Did you identify any specific transactions that you believe should be considered higher risk for the audit?
  - b. Analyze the sales revenue file using IDEA to determine whether any sales were made to distributors without an established credit limit. Are there any exceptions? If there are exceptions, what further testing would you perform on these exceptions?
  - c. Analyze the accounts receivable and related credit authorization limits using IDEA to determine whether any customers have account balances as of 12/31/17 that exceed their existing credit limit. Are there any exceptions to the credit limit control as of 12/31/17? Do you notice any patterns in the exceptions? What further testing would you perform on these exceptions?

- d. For some time, Urgent has based its allowance for doubtful accounts on an aging analysis and the results have been historically accurate. Below, you have been provided with the client's list of customer balances in excess of 90 days. These are the accounts that the client will consider when calculating the allowance for doubtful accounts as of 12/31/2017. Perform an aging analysis using IDEA to assess the completeness and accuracy of Urgent's list of customer balances in excess of 90 days.

Urgent Medical Devices  
 Analysis of >90 Day Delinquent Accounts Receivable  
 As of December 31, 2017

SalesOrderID	InvoiceDate	TotalDue
3236	7/4/2017	56,251.34
3241	7/9/2017	73,450.67
3422	9/5/2017	73,450.67
3466	9/21/2017	59,932.09
3490	9/21/2017	<u>54,851.15</u>
		<u>317,935.92</u>

- i. Based on your analysis, does the client's listing agree to your analysis completed in IDEA?
  - ii. Do you have any concerns with the client's process for identifying the total amount of significantly delinquent accounts?
  - iii. According to Urgent's unaudited trial balance, the balance for Allowance for Doubtful Accounts is \$310,000. Does the test performed above provide sufficient appropriate evidence to support a conclusion on the valuation of accounts receivable? If not, what additional testing would you recommend to reach an audit conclusion for this relevant assertion?
- 5) Based on your risk analysis and findings in requirements 1) through 4), perform additional analyses using IDEA to identify specific transactions, territories, or distributors that may require additional substantive testing. Be creative when doing so. For example, consider patterns in the data provided that might indicate management override of a control activity. Focus your additional analytics on those areas. Prepare a listing of specific findings from your additional analytics that you believe warrant additional testing.
- 6) In order to conclude on whether the risk of material misstatement has been reduced to an acceptably low level for the relevant assertions identified, you need to consider, on an overall basis, whether the results of your procedures provide sufficient appropriate evidence. Based on the evidence that you have considered, can you reach a conclusion for the relevant assertions identified? Why or why not?

## Learning Objectives of Case

1. To understand the fraud risks associated with revenue recognition and its impact on the testing of the revenue and accounts receivable cycle (**demonstrated when students complete requirement 1 of the case**).
2. To understand the importance of determining that a population of data is complete and accurate prior to its use in audit testing, including understanding how to reconcile the population to the underlying books and records of the audit client (**demonstrated when students complete requirement 2 of the case**).
3. To learn how to interpret commonly used data visualizations and reach audit conclusions based on the issues, objectives and alternatives that surface given the observed facts and circumstances (**demonstrated when students complete requirement 3 of the case**).
4. To understand how to utilize commonly used data and analytics software tools (i.e., IDEA and Tableau) within a realistic audit context (**demonstrated when students complete requirements 3, 4 and 5 of the case**).
5. To develop critical thinking skills around the identification of exceptions and risk factors in client provided data (**demonstrated when students complete requirements 3, 4 and 5 of the case**).
6. Recognize the importance of reaching an overall conclusion for each relevant assertion in accordance with applicable professional standards based on the evidential matter considered (**demonstrated when students complete requirement 6 of the case**).