

**Exhibit 1 – Email from audit**

**engagement partner From:**

m.renton@IWandCo.co.uk

**To:** a.manager@IWandCo.co.uk

**Date:** 1 July 20X5

**Subject: Trains Pot Inc audit planning for year ended**  
**31/07/20X5**

**Hello**

I understand that you are out visiting our new client – hope it's all gone well, remember how high profile this one is and how important it is for the firm to maintain its professionalism.

It's time to get our plan sorted out so I'd like you to draft a report for me to deliver to the rest of the partners please – having looked at some of the notes from the tendering process, I'd like you to address the following issues please:

- (a)** Evaluate the audit risks to be considered in planning the audit of Trains Pot Inc. **(20 marks)**
- (b)** Evaluate the matters to consider when determining whether to place reliance on the Internal Audit function and comment on the reliance (if any) that we can place on them. **(5 marks)**
- (c)** Design the principal audit procedures relating to valuation, completeness and existence of rolling stock in the financial statements and comment on any limitations in the evidence available to us. **(8 marks)**
- (d)** Evaluate the ethical, quality control and other professional issues raised by the note (Exhibit 3), considering the implications, if any, for the planning of the Trains Pot Inc audit. **(13 marks)**

**Thank you.**