

**Exhibit 3 – Notes from a telephone conversation between the training manager and the audit engagement partner**

The Finance Director of Trains Pot Inc has requested that only certain staff are to be included on the audit team, in order to prevent unnecessary disruption to the company's accounting department during the course of the audit. In particular, the Finance Director has requested that Xavier be assigned as audit senior and that no new trainees be included in the audit team.

Xavier has been employed as audit senior for Irvine, Welsh & Co for the last two years. Prior to this, he spent a number of years working in temporary positions via an accountancy recruitment agency. Trains Pot Inc makes extensive use of temporary staff in its finance department, so it's possible this is where the connection started.

On a related topic, the situation of Alex was discussed. Alex was one of the audit trainees assigned to the audit of Phantom Co, a private limited company which is also audited by Irvine, Welsh & Co, for the year ended 30 April 20X4. Alex resigned from the firm with effect from 30 October 20X4 to pursue a career in medicine.

Kristin, another manager within the firm, has just told you that on the day Alex left, he told her that he had ticked schedules of audit work as having been performed when he had not actually carried out the tests. Alex completed our workplace training program and his work on the Phantom audit was reviewed by an audit senior who has since been selected to work on the Trains Pot Inc audit.