

Audit of 2018/19 annual report and accounts (health)

Technical guidance note 2019/2(H)



Prepared for appointed auditors in the health sector
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Foreword

Extract from the code of audit practice

Technical support

108. Audit Scotland provides technical support and guidance to all appointed auditors. While appointed auditors act independently, and are responsible for their own conclusions and opinions, Audit Scotland has a role in ensuring that those conclusions and opinions are reached on the basis of informed judgement. Audit Scotland will consult with appointed auditors and other interested parties on the preparation of technical guidance and appointed auditors are expected to contribute. Consistency in similar circumstances is important and therefore appointed auditors should consider such guidance.

A key element of the technical support and guidance to appointed auditors referred to in the above extract from the [Code of audit practice](#) is technical guidance notes provided by Audit Scotland's Professional Support. It is a condition of the audit appointment that auditors are required to carry out the audit in accordance with guidance issued by Audit Scotland.

The purpose of this technical guidance note is to provide appointed auditors in the health sector with guidance on performing the audit of the 2018/19 annual report and accounts.

Technical guidance notes are available to appointed auditors from Audit Scotland's *Technical reference library* (on [ishare](#) and the [Extranet](#)), and are also published on the Audit Scotland [website](#) so that audited bodies and other stakeholders can access them.

Audit Scotland makes no representation that legal guidance is correct. Points of law can ultimately be decided only by the Courts. Audit Scotland accepts no responsibility for any loss or damage caused as a result of any person relying upon anything contained in this note.

1 Introduction

Purpose

1. The purpose of this technical guidance note is to provide supplementary guidance on the risks of misstatements in the 2018/19 annual report and accounts that are specific to health boards. Auditors should read this technical guidance note in conjunction with [technical guidance note 2019/1\(CG\)](#) which provides guidance for central government bodies generally.
2. This technical guidance note provides guidance on risks specific to health boards in the following areas:
 - Summary of resource outturn
 - Capitalisation thresholds for property, plant and equipment
 - Calculation of early retirement provisions
 - Provisions for clinical and medical negligence claims
 - Treatment of endowments and integration joint boards (IJBs) in group financial statements
 - Accounting for funding allocations
 - Retirement benefits
 - Capital grants to other bodies
 - Transactions with IJBs
 - Requirements for the performance report and directors' report.

Contact point for this module

3. The contact point for this module of the technical guidance note is Neil Cameron, Manager (Professional Support) - ncameron@audit-scotland.gov.uk.

2 Application of TGN 2019/1(CG) to health boards

Summary of TGN 2019/1(CG)'s application

4. The following tables summarise the application of [TGN 2019/1\(CG\)](#) to health boards, and either provide supplementary guidance in some areas or indicate the section of this technical guidance note in which it is provided.

Overview module

5. All sections of the overview module of [TGN 2019/1\(CG\)](#) apply to health boards. The following table sets out supplementary guidance in some areas:

Section	Supplementary guidance
Section 1 Introduction	<p>The legislation which requires external auditors to audit the annual report and accounts prepared by health boards is the National Health Service (Scotland) Act 1978 (the 1978 Act).</p> <p>The email address for auditors with enquiries on specific issues for the health sector is TechnicalQueries-Health@audit-scotland.gov.uk.</p>
Section 2 Financial reporting framework	<p>Health boards are required to prepare their accounts in accordance with a direction issued by Scottish Ministers under section 86 of the 1978 Act. The accounts direction requires compliance with:</p> <ul style="list-style-type: none"> the accounting principles and disclosure requirements of the Government financial reporting manual (the FReM) the accounts format, disclosure and accounting requirements issued by the Scottish Ministers. Detailed guidance for health boards is provided in the <i>NHS boards accounts manual for annual report and accounts</i> (the accounts manual) issued by the Scottish Government Health and Social Care Directorate (SGHSCD). See section 3 of this technical guidance note.
Section 4 Presentation of financial statements	<p>Supplementary guidance on the presentation of the financial statements is provided at section 4.</p>

Modules 1 to 8

6. Modules 1 to 8 of [TGN 2019/1\(CG\)](#) apply to health boards. The following table sets out supplementary guidance on some areas:

Module	Supplementary guidance
1 Property, plant and equipment	The <i>NHS capital accounting manual (CAM)</i> from the SGHSCD interprets the accounting guidance contained in the 2018/19 FReM on capital accounting issues. Supplementary guidance on capitalisation thresholds is provided at section 5.
2 Provisions creditors and accruals	Supplementary guidance on calculation early retirement provisions is provided at section 5.
3 Financial assets	No additional guidance is required.
4 Group financial statements	Supplementary guidance on NHS endowments and integration joint boards is provided at section 5.
5 Leases and similar arrangements	No additional guidance is required.
6 Grants and other income	Supplementary guidance on allocations is provided at section 5.
7 Other financial statement areas	Supplementary guidance on retirement benefits, capital grants, and transactions with the IJB is provided at section 5.
8 Regularity of income and expenditure	No additional guidance is required.

Module 9 Non-financial statements

7. Module 9 of [TGN 2019/1\(CG\)](#) applies to health boards. The following table sets out supplementary guidance in some areas:

Section	Supplementary guidance and action
Section 2 Remuneration and staff reports	Pages 18 to 34 of the accounts manual set out the requirements for the remuneration and staff report including templates.
Section 3 Performance report	Supplementary guidance on additional requirements is provided at section 6.
Section 4 Governance statement	The accounts manual sets out the requirements at pages 15 to 17 and a template at Annex A.
Section 5 Other non-financial statements	Supplementary guidance on the director's report and statement of accountable officer's responsibilities is provided at section 6.

3 Accounts manual

Overview

8. The accounts manual is prepared by the Technical Accounting Group and issued by the SGHSCD.
9. It is intended to complement the guidance contained in the FReM and assist boards in the preparation of their annual report and accounts. However, the accounts manual does not supersede the requirements of the FReM.

Summary of changes in 2018/19

10. The 2018/19 accounts manual has been amended as follows:
 - Guidance on other operating expenses (at notes 3 and 4) has been expanded to reflect the FReM requirement that individually material items are to be separately disclosed in the financial statements.
 - References to the carbon reduction commitment scheme at note 6 have been updated to reflect that the compliance phase ends in October 2019 and that excess allowances held at 31 March 2019 must be written off.
 - Guidance has been added to note 9 to require boards to use the Scottish life expectancy tables when calculating the provision for early pension (see section 5).
 - The manual reflects the adoption by the FReM of *IFRS 9 Financial instruments* (see module 3 of [TGN 2019/1\(CG\)](#)). Consequent changes to the accounts manual include revisions to the text in note 1 on accounting policies, the removal of note 10 on available for sale financial assets, and the restructuring of note 23 on financial instruments.
 - The requirements in the FReM of the trade union facility time requirements are reflected and the general data protection regulations (explained in module 9 of [TGN 2019/1\(CG\)](#)).
 - The accounts manual has been amended to highlight that governance statement disclosures should reflect group financial statements, including the endowment funds, and clarify that the governance statement should not be made publicly available before the accounts are laid in Parliament.
 - The accounts manual has been amended to reflect FReM changes to the statement of accountable officer's responsibilities.
 - An example disclosure has been included for fees and charges in the parliamentary accountability report on page 35.

4 Presentation of financial statements

External guidance

11. The SGHSCD issue templates which boards may use as a basis of preparing their own financial statements.

Risks of misstatement

12. The following paragraphs highlight potential risks of misstatement in respect of the presentation financial statements that are specific to health boards, and set out actions for auditors to undertake to assess whether the board has followed the required treatment.

Summary of resource outturn is not properly presented

13. Health boards are required to ensure that their expenditure remains within a revenue resource limit (RRL) set by the Scottish Government (explained further in section 6). The RRL comprises:
 - a core element, which covers day to day expenditure (e.g. supplies and services, staff expenditure)
 - a non-core element, which includes capital grants, (explained in section 5), depreciation and impairments treated as annually managed expenditure, provisions treated as annually managed expenditure recognised after 31 March 2010, and revenue expenditure on service concession arrangements
14. The accounts manual requires a summary of resource outturn to be disclosed at the foot of the statement of comprehensive net expenditure (SOCNE) to reports a board's performance against the RRL. The following should be deducted from net expenditure:
 - Non-core expenditure.
 - Non-discretionary expenditure on family health services (as funding for non-discretionary funding is not included in the RRL).
 - Endowments fund's net expenditure (where consolidated) to ensure only board expenditure is considered.
15. **Auditors should** assess whether:
 - the summary of resource outturn for 2018/19 has been properly presented
 - items included in the non-core RRL, non-discretionary expenditure, and the net expenditure of the endowment fund are properly deducted from net expenditure
 - the summary is free from misstatement.

5 Financial statement areas

Risks of misstatement

16. The following paragraphs highlight potential risks of misstatement in respect of financial statement areas that are specific to health boards, and set out actions for auditors to undertake to assess whether the board has followed the required treatment.

Property, plant and equipment

Capitalisation threshold is not properly applied

17. The CAM (at paragraph 2.6.1) sets a capitalisation threshold of £5,000 for individual assets. **Auditors should** confirm that the board has applied the specified threshold for new capital expenditure in 2018/19.
18. The CAM allows for the capitalisation of assets of lower than £5,000 if they form part of a group (e.g. defibrillators) provided all the criteria specified by the CAM at paragraph 2.7.1 for group assets are met. The specified criteria are summarised in the following table:

Criteria for group assets treatment
Group value in excess of £20,000
Items are functionally interdependent
Items are acquired at about the same date and are planned for disposal at about the same date
Items are under single managerial control
Each individual asset in the grouped has value of over £250

19. In addition, CAM paragraph 2.7.1 allows assets acquired in the course of the initial setting up of a new building or on refurbishment to also be treated as 'grouped' for capitalisation purposes. Examples where such an approach is likely to be applied are the following:
- Large collective networked system developments where individual items of computer hardware and/or software are purchased as part of a larger system.
 - Where applying the de minimis rule would result in an exceptional charge to the SOCNE in the first year of a new hospital or strategy development, boards can capitalise such expenditure as a single 'equipping' asset with a useful economic life of up to 10 years.
20. Where the board has used the grouped assets approach in 2018/19, **auditors should** assess whether the assets satisfy the specified criteria.

Provisions, creditors and liabilities

Provision for early retirements is not properly measured

21. Additional pension liabilities arising from early retirements are not funded by the NHS pension scheme except where the retirement is due to ill-health. Boards are therefore required to recognise a provision for the actuarial cost of early retirements to the extent not met by the scheme in accordance with *IAS 19 Employee benefits*.
22. When calculating the provision, boards should use the [life expectancy tables for Scotland](#) provided by the Office for National Statistics. The accounts manual has been amended for 2018/19 to reflect that requirement.
23. **Auditors should** confirm that the board has used the life expectancy tables for Scotland when estimating the provision at 31 March 2019.

Provision is not recognised for outstanding clinical and medical negligence claims

24. Boards may have legal claims in respect of clinical and medical negligence in progress that have not been settled by 31 March 2019. Boards are notified of the progress of all clinical and medical negligence claims by the Central Legal Office (CLO) who categorise the level of risk relating to the settlement of each claim. Boards should assess the likely outcome of all claims but, as a general rule, the accounts manual expects boards to account for cases in accordance with the following table:

CLO category	Recognise as provision	Disclose as contingent liability
3	100%	-
2	50%	50%
1	-	100%

25. The amount disclosed or recognised should be the full amount notified by the CLO, but exclude CLO fees and outlays notified which should be charged to the SOCNE when incurred.
26. **Auditors should** assess whether:
 - a provision has been recognised for outstanding clinical and medical negligence claims if it is more likely than not that a present obligation exists at 31 March 2019 and the other recognition criteria are also met; or
 - a contingent liability has been disclosed if it not more likely than not that a present obligation exists.
27. Boards are responsible for meeting medical negligence costs up to a threshold of £25,000 per claim, and costs above that are reimbursed as part of the *Clinical negligence and other risks*

indemnity scheme (CNORIS). In cases where the board will be reimbursed, **auditors should** assess whether:

- the related reimbursement has been recognised as a debtor at 31 March 2019
- the board has disclosed the expected reimbursement as a contingent asset where reimbursement is for cases disclosed as a contingent liability.

28. CNORIS makes payments to claimants but is funded by all boards contributing a share of the total value of provisions. The accounts manual requires boards to recognise a provision for their expected contribution. It is anticipated that the SGHSCD will provide each board with information on the amount of the provision to be recognised.

29. **Auditors should:**

- confirm that the board has recognised a provision for their expected contribution to CNORIS as at 31 March 2019
- assess whether the provision is complete and free from misstatement.

Group financial statements

Entities in which the board has an interest are not identified

30. IFRS 10 applies in full to health boards without adaptation. When assessing whether the board has identified all the entities in which it has interest, it is expected that this will apply in practice only to NHS endowment funds and IJBs.

Endowment funds are not properly accounted for

31. Health boards control endowment funds for accounting purposes and therefore should account for them as subsidiaries.

32. As endowment trustees are also board members, health boards and endowment funds effectively operate under common control for accounting purposes. The endowments therefore should normally be consolidated into group financial statements on a merger accounting basis. However, endowment funds vary in size at individual boards, and the accounts manual states that consolidation is not required where the board's interest is considered to be immaterial.

33. **Auditors should** assess whether the board has accounted for endowments in 2018/19, where its interest is material, by:

- aligning the accounting policies of the endowment fund with the policies of the board for the purposes of the group financial statements
- combining like items of assets, liabilities, reserves, income, expenses and cash flows
- eliminating intra-group transactions and balances on consolidation.

34. Where consolidation has not been undertaken for 2018/19, **auditors should** assess whether it is reasonable to conclude that the board's interest in the endowment is not material. Auditors

are expected to start from a presumption that the requirements for group financial statements should be followed, unless the board can demonstrate that its interests are clearly not material. **Auditors should** assess whether the board has:

- focussed on the potential effect of an omission on the decisions or assessments of users made on the basis of the financial statements
- satisfied itself that the principal users of the financial statements would be able to see the complete economic activities of the board and its exposure to risk
- demonstrated that the board's overall financial position or performance has not been misrepresented
- assessed the qualitative aspects of materiality judged in the surrounding circumstances before considering the amounts involved.

Information on endowment funds are not properly disclosed

35. Auditors should:

- confirm that information on consolidation adjustments in respect of endowment funds is disclosed in a note (note 26 in the accounts manual) in 2018/19.
- assess whether the disclosures are complete, clear, concise and free from misstatement.

36. Where consolidation is not required for 2018/19 (due to materiality), **auditors should** confirm that:

- the fact that the endowment has not been consolidated on the basis of materiality has been disclosed in a note (note 1 in the accounts manual)
- relevant information has been disclosed in the note on related party transactions (note 24 in the accounts manual).

Interests in IJBs are not properly accounted for

37. [Guidance](#) from a LASAAC/TAG subgroup on accounting for health and social care integration expects that boards will have joint control over IJBs. Joint control exists only when decisions about the relevant activities require the unanimous consent of the parties sharing control. However, this view is finely balanced, and **auditors should** assess whether the board has taken into account the IJB's operation in practice when forming its judgement.

38. Where joint control exists, and the interest is material, **auditors should** confirm that the board has accounted for its IJBs as a joint venture in 2018/19. IFRS 11 requires a board to recognise its interest in a joint venture as an investment and account for that investment using the equity method in accordance with *IAS 28 Investments in associates and joint ventures*.

Information on IJBs is not properly disclosed

39. Auditors should:

- confirm that information on IJBs required by IFRS 12 has been disclosed in the notes (note 26 in the accounts manual) in 2018/19

- assess whether the disclosures are complete, clear, concise and free from misstatement.

Funding allocations

Allocations are not properly recognised

40. Allocation letters from the SGHSCD provide boards with the authority to spend under the budget approved in Parliament. The SGHSCD refer to these as budget allocations but they meet the definition in the SPFM for grant in aid and should therefore be accounted for on a cash basis in accordance with the FReM.
41. This includes any earmarked/ring fenced allocations which should be treated as grant in aid (rather than grant) and accounted for on a cash basis, unless the SGHSD has agreed otherwise. Even if another basis was agreed for a particular ring-fenced allocation, there would have to be an explicit condition that required the allocation to be returned if any objectives or policy outcomes were not achieved in order to justify deferring recognition.
42. In accordance with FReM paragraph 8.1, the allocations require to be recognised as financing (i.e. by crediting them to reserves) rather than as income.
43. **Auditors should** confirm that allocations in 2018/19 have:
 - either been recognised on a cash basis or there is evidence that the SGHSCD has agreed to another basis
 - been recognised as financing.
44. All funding provided by NHSScotland bodies, including cross boundary funding for unplanned activities and funding to cover the provision of specified services by agreement with other NHSScotland bodies, should be recognised as income. This includes income other than RRL funding received from the Scottish Government (e.g. to cover the salaries of secondees).

Retirement benefits

Retirement benefits are not accounted for on the correct basis

45. Retirement benefits are pensions payable to former employees after the completion of their employment. Retirement benefit plans (more commonly referred to in Scotland as schemes) are classified by IAS 19 as either defined contribution or defined benefit. The differences in the accounting for these classifications and the applicability to health boards are set out in the following table:

Classification	Characteristics	Applicability
Defined benefit	<p>Benefits are determined independently of the investments of the scheme. Employers have obligations to make contributions where assets are insufficient to meet those benefits.</p> <p>Liabilities are recognised as benefits are earned or awarded and are matched with the authority's attributable share of the scheme's assets.</p>	Some health board employees are members of the <i>Local government pension scheme</i> (LGPS) which should be accounted for on a defined benefit basis.
Defined contribution	<p>Applies to defined contribution schemes and defined benefit schemes where an employer is not able to identify its share of the underlying financial position and performance of the scheme with sufficient reliability for accounting purposes.</p> <p>The employer's obligation is limited to the amount it has agreed to contribute to the pension scheme.</p>	Most employees of health boards are members of the NHS pension scheme, and the FReM interprets IAS 19 to require that scheme to be accounted for as if it were a defined contribution scheme.

46. **Auditors should** assess whether retirement benefit has been accounted for on the correct basis in 2018/19.

NHS pension scheme is not properly accounted for

47. **Auditors should** confirm that the NHS pension scheme has been properly accounted for. The accounting treatment on a defined contribution basis involves employer contributions being charged to the SOCNE as they become payable.

48. **Auditors should** assess whether:

- balances are recognised in the statement of financial position only to the extent that there are prepaid or outstanding contributions at 31 March 2019
- employer contributions have been properly calculated and charged to the SOCNE
- amounts are free from misstatement.

Information on NHS pension scheme has not been properly disclosed

49. Boards are required to make the disclosures for the NHS pension scheme set out at note 19 of the accounts manual. **Auditors should:**
- confirm that the board has followed the disclosure requirements in 2018/19
 - assess whether the disclosures are complete, clear, concise and free from misstatement.

LGPS is not properly accounted for

50. Where the board has employees that are members of the LGPS, **auditors should** refer to module 4 of [technical guidance note 2018/10\(LG\)](#). **Auditors should** note that the pension reserve regulations referred to in that module do not apply to health boards.

Capital grants to other bodies

Capital grants are not identified

51. A capital grant is an unrequited transfer payment from a health board to another public body which is required to use the grant to procure or improve assets from which the board's residents will benefit.
52. **Auditors should** assess whether the board has identified payments during 2018/19 where:
- grant has been paid to other public bodies
 - the body has agreed to use the grant for specific purposes that meet the definition of capital expenditure; and
 - it can be demonstrated that the capital expenditure contributes to the achievement of the board's objectives.
53. When making this assessment, **auditors should** be aware that it would be inappropriate for boards to treat the following payments as capital grants:
- A payment in respect of a property considered to represent prepayment of lease rental which should instead be accounted for in accordance with *IAS 17 Leases*.
 - A payment to a primary care practitioner where the expenditure to be funded is less than the £5,000 capitalisation threshold (unless they qualify to be treated as grouped assets as explained in section 3).
 - If the board has ownership of the asset or uses it directly, any upfront payment should be treated as a capital contribution or prepayment for the service. However, it may be appropriate to treat a contribution at the outset of a project as a capital grant if the asset is owned by a third party and not used directly by the board.
 - Ongoing revenue payments in respect of resource transfer accommodation, which are the equivalent of rental payments.

Capital grants are not properly accounted for

54. Capital grants should be accounted for as revenue expenditure in the SOCNE but charged against the non-core capital resource limit (CRL - explained at section 6). **Auditors should** confirm that for 2018/19:
- capital grants have been included as revenue items charged to the SOCNE
 - deducted from the charge against the core RRL in the summary of resource outturn
 - added to the charge against the non-core CRL.

Transactions with IJBs

Amount set aside for hospital services are not properly calculated

55. IJBs are responsible for the strategic planning of hospital services most commonly associated with the emergency care pathway. Health boards are required to calculate in accordance with guidance issued by the Scottish Government an amount 'set aside' for the provision of these delegated services and advise the IJB accordingly. The resource 'set aside' is within the control of the IJB and should be included in the overall funding contribution.
56. In previous years, the Scottish Government recognised that arrangements for calculating the sum set aside were not operating as required by the guidance. As a transitional arrangement, the Scottish Government allowed health boards and IJBs to agree a figure for the sum set aside based on the budget to be included in the annual accounts. The IJB set aside income equalled their set aside expenditure and any under or overspend on services was to be met by the health board.
57. At the time of preparing this technical guidance note, the Scottish Government are considering extending that transitional arrangement for 2018/19. Professional Support are in discussions with the Scottish Government and will advise auditors once the outcome is clearer.

IJB overspends are not properly accounted for

58. Where an IJB reports an anticipated overspend at the 31 March 2019, the integration scheme will set out the arrangements for how it should be met. The integration scheme may require additional funding either in 2018/19 or in future years. The following table sets out the required accounting treatment:

Funding overspend	Treatment
Additional 2018/19 funding	IJB recognises a debtor (eliminating the deficit) and constituent authorities recognise a creditor at 31 March 2019 (to the extent not paid before that date)
Additional funding in future years	No recognition of debtor/creditor (IJB shows a deficit) as future funding cannot be anticipated

59. Where an IJB has an overspend at 31 March 2019, **auditors should** confirm that the board:
- has accounted for additional funding in accordance with the integration scheme
 - has recognised a creditor for any additional 2018/19 funding to the IJB outstanding at 31 March 2019
 - has not recognised any amounts related to additional funding in future years.

6 Non-financial statements

Performance report

Performance report is not in accordance with the accounts direction

60. The accounts manual sets out requirements for the performance report on pages 7 to 11. In addition to the requirements of the FReM that apply to Scottish central government bodies explained in module 9 of [TGN 2019/1\(CG\)](#), the accounts manual also requires health boards to include the following in the performance report (new requirements for 2018/19 are indicated):
- A statement from the Chief Executive providing their perspective on performance (new for 2018/19).
 - A short summary explaining the purpose of the overview section.
 - Information on the payment of suppliers.
 - Additional explanations of amounts included in the financial statements. The accounts manual provides examples but has been amended in 2018/19 to clarify that they should not be considered either exhaustive or required where not relevant.
 - Disclosures for reporting performance against financial targets, including a memorandum for in-year outcome (set out on page 8 of the accounts manual). The financial targets are the:
 - RRL (as explained in section 4)
 - CRL, which relates to capital expenditure on both a board's own non-current assets (core) and any service concession arrangements (non-core)
 - cash requirement, which is the total cash drawn to fund the cash consequences of ongoing operations and new capital investment.
61. As a result of the different requirements, a checklist specific for health boards is provided at appendix 1 to this technical guidance note. In order to assess whether required information has been omitted in 2018/19, **auditors should** check whether the performance report includes the items summarised in the checklist.

Other non financial statements

Directors' report is not in accordance with the accounts direction

62. The accounts manual sets out its requirements for the directors' report on pages 12 to 13. In addition to the requirements of the FReM, the accounts manual also requires health boards to include the following in the directors' report:
- the authorised for issue date
 - information on the appointment of auditors

- a statement of board members' responsibilities
- third party indemnity provisions
- information on non-audit work.

63. The accounts manual has been amended from 2018/19 to also require confirmation of the disclosure of information to auditors to be included in the directors' report.

Statement of accountable officer's responsibilities is not in accordance with accounts direction

64. As indicated above, the 2018/19 accounts manual has been amended to include wording confirming the disclosure of information to auditors in the directors' report. This contrasts with the FReM which requires this item to be included in the statement of Accountable Officer's responsibilities.
65. Where a board follows the accounts manual's approach in 2018/19, **auditors should** confirm that there is a cross-reference from the statement of Accountable Officer's responsibilities.

Appendix 1

Checklist - required content of performance report

Required item	Yes/No/N/A
1 A short summary explaining the purpose of the overview section	
2 A statement from the Chief Executive providing their perspective on the performance of the board for 2018/19.	
3 A statement of purpose and activities of the board including a brief description of the business model and environment, organisational structure, objectives and strategies	
4 Key issues and risks that could affect the board in delivering its objectives	
5 And explanation of the adoption of the going concern basis where this might be called into doubt	
6 A performance summary (in the overview)	
7 Information on how the board measures performance i.e. what the board sees as its key performance measures, how it checks performance against those measures and narrative to explain the link between the measures, risk and uncertainty	
8 Information on meeting the three year financial targets	
9 Detailed analysis and explanation of the development and performance of the board during 2018/19 and an explanation of the relationships and linkages between different pieces of information	
10 Additional explanation of amounts included in the financial statements	
11 Information on the payment of suppliers	
12 Information on social matters, respect for human rights anti-corruption and anti-bribery matters	
13 Information on environmental matters including the impact of the board's business on the environment	