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National Galleries of Scotland

Annual Report to Those Charged with Governance and the Auditor General for Scotland

Year ended 31 March 2016

30 August 2016

PricewaterhouseCoopers
141 Bothwell Street
Glasgow
G2 7EQ

Audit and Risk Committee,
National Galleries of Scotland,
73 Belford Road,
Edinburgh
EH4 3DS

30 August 2016

Ladies and Gentleman,

We are pleased to enclose our report to the Audit Committee in respect of our audit for the year ended 31 March 2016. The primary purpose of this report is to communicate the significant findings arising from our audit that we believe are relevant to those charged with governance.

The scope and proposed focus of our audit work was summarised in our audit plan, which we presented to the Audit Committee in March 2016. We have subsequently reviewed our audit plan and concluded that our original risk assessment remains appropriate. The procedures we have performed in response to our assessment of significant audit risks are detailed in Section 2.

We have completed the majority of our audit work and expect to be able to issue an unqualified audit opinion on the financial statements at the Board meeting in September 2016. At the time of writing, the key outstanding matters, where our work has commenced but is not yet finalised, are review and disclosure check of final draft accounts, completion of subsequent events review and receipt of the signed letter of representation from Management. We will provide an oral update on these matters at the meeting on 30 August 2016.

We look forward to discussing our report with you. Attending the meeting from PwC will be James Gray.

Yours faithfully

PricewaterhouseCoopers LLP

Contents

Section 1. Executive summary

Introduction

We set out in this report our significant findings from our audit of the National Galleries of Scotland ("NGS") for 2015/16, together with those matters which auditing standards require us to report to you as "those charged with governance" of NGS.

We carried out our audit work in line with our 2015/16 audit plan that we presented to you on 1 March 2016. Our audit is not designed to identify all matters that may be relevant to you. Accordingly, the audit does not identify all such matters. Communication by auditors of matters arising from the audit of the financial statements or of risks or weaknesses does not absolve management from its responsibility to address the issues raised and to maintain an adequate system of control.

Framework for Our Audit

Our audit is conducted in accordance with Auditing Standards (International Standards on Auditing ('ISAs') (UK and Ireland)) and the Code of Audit Practice ('the Code').

The Code explains how external auditors should carry out their functions under the Public Finance and Accountability (Scotland) Act 2000. The audit of financial statements is covered by engagement and ethical standards issued by the UK Auditing Practices Board (APB), so the Code focuses more on the wider functions of public sector auditors. We have conducted our audit in accordance with the relevant requirements of the Code.

Respective Responsibilities of Management and Auditors

Management

It is the responsibility of the Board and the Chief Executive, as Accountable Officer, to prepare the financial statements in accordance with the Paragraph 8 (3) of the Schedule to the National Galleries of Scotland Act 1906 as amended by Section 17 of the National Heritage (Scotland) Act 1985, and directions made there under. This means:

- acting within the law and ensuring the regularity of transactions by putting in place systems of internal control to ensure that financial transactions are in accordance with the appropriate authority;
- maintaining proper accounting records;
- preparing financial statements on a timely basis, which give a true and fair view of the financial position of the entity and its expenditure and income for the year ended 31 March 2016; and
- preparing a Directors' Report and a Governance Statement.

Auditors' responsibilities

Our responsibilities in accordance with the Code of Audit Practice are to provide you with, an audit report on the financial statements stating whether:

- they give a true and fair view of the financial position of the entity and its expenditure and income for the year;
- they were prepared properly in accordance with relevant legislation, applicable accounting standards and other reporting requirements;
- the information which comprises the annual report included with the financial statements is consistent with the financial statements; and
- expenditure and receipts have been incurred and applied in accordance with guidance from Scottish Ministers (the regularity opinion).

We are also required to review and report as necessary on other information published with the financial statements, including the directors' report, annual governance statement, statement on internal control or statement on internal financial control.

Financial Statements

As a result of our work, we proposed a number of disclosure audit adjustments and small number of financial adjustments to the draft financial statements. There is one unadjusted misstatement at the conclusion of our audit, further details of which are in Section 2. All others have been resolved and accepted by management.

We have completed the majority of our audit work and expect to be able to issue an unqualified audit opinion at the Board meeting in September 2016.

Financial performance

NGS's key financial performance for the period is as follows:

- The final outturn for NGS was £15.395m against an operating resource limit of £16.055m, resulting in a £0.660m underspend. It should be noted that this was a notional underspend as the variance is in relation to depreciation
- The total consolidated incoming resources for 2015/16 increased by £2.212m, a total increase of 11.3%. This is predominantly due to an increase in Grant in Aid, specifically running costs and capital projects. NGS is currently reviewing methods of increasing its self-generated income, including increasing its 'friends' retained income by 60%.
- Expenditure increased from prior year by £0.625m. This increase represents a significant rise in non - discretionary staff costs, such as the implementation of the Scottish Government pay policy and increase in pension costs. The increase in staff costs was partially offset by a decrease in other operating costs.
- Work has been underway in previous years to reduce expenditure, and so identifying efficiency savings in future years is a key challenge. In addition, NGS are projecting a 5% increase in staff costs in 2016/17, which is partly due to the introduction of the national living wage and increase in national insurance contribution rates.

NGS has a 2016/17 balanced budget which was presented to and approved by the Audit Committee and the Senior Management Team (SMT) in March 2016. The budgeted income for 2016/17 is £20.814m which includes grant in aid funding of £17.370m, which is an increase of £1.315m on 2015/16 (£16.055m). The grant in aid funding for 2016/17 also includes £2.025m of ring fenced funding and £2.450m of capital funding. We have not identified any key indicators or been made aware of any factors that would suggest that NGS will fail to meet its financial targets in 2016/17.

Additional insight – journals

A key focus in our audit is sharing insight. During our audit procedures for testing journals, we have interrogated the data from which we performed our journals testing to identify observations for your consideration. These are included within Appendix 1.

Please note that copies of this report will be sent to the Audit Scotland in accordance with their requirements.

We would like to thank the management and staff of NGS for their co-operation and assistance during the course of our work.

Section 2: Significant audit and accounting matters

We have set out in this section the significant matters arising from our audit.

Matters identified in our audit plan

Set out below is a summary of our response to matters identified in our audit plan:

Significant Risk	Audit response
Risk of management override of controls ISA (UK&I) 240 requires that we plan our audit work to consider the risk of fraud, which is presumed to be a significant risk in any audit. This includes consideration of the risk that management may override controls in order to manipulate the financial statements.	We performed procedures to: • Test the appropriateness of journal entries using Computer Assisted Audit Techniques, we have provided an analysis of the type of journals posted, see appendix 1 for more details; • Review management's overall fraud arrangements and policies; • Review accounting estimates for bias and evaluate whether circumstances producing any bias, represent a risk of material misstatement due to fraud; • Evaluate the business rationale underlying significant transactions; and • Test manual journals to ensure their legitimacy; and • Perform 'unpredictable' procedures. **We did not identify any issues to report to you as a result of our work.**

Significant Risk	Audit response
Risk of fraud in expenditure recognition Under ISA (UK&I) 240 there is a (rebuttable) presumption that there are risks of fraud in revenue recognition. There is a risk that NGS could adopt accounting policies or treat income transactions (specifically charging scheme income) in such a way as to lead to material misstatement in the reported revenue position. However, the majority of NGS income comes in the form of Grant in Aid from the Scottish Government, which we do not consider to be readily susceptible to manipulation. The remaining income streams have historically been immaterial to the financial statements. As such, the presumption of fraud in revenue recognition is to be rebutted. We consider that the inappropriate omission of expenditure represents a greater risk of misstatement, owing to the fact that NGS, as a public sector entity, is cost-focused and funded, to an extent, based on resource requirements. Accordingly, we have assessed the risk of fraud in expenditure recognition to be significant.	We reviewed the current treatment of expenditure to ensure that it is in accordance with the requirements of accounting standards, focusing in particular on the regularity of expenditure incurred. We performed detailed testing of expenditure transactions, focussing on the areas we consider to be of greatest risk. We performed a search for unrecorded liabilities to ensure that the liabilities which ought to be included at the year-end had been included correctly. Specific cut-off testing was performed to address the risk of misstatement of expenditure in 2015/16. **We did not identify any issues to report to you as a result of our work.**

Elevated Risk	**Audit Response**
Adoption of FRS 102/Charities SoRP NGS have prepared financial statements under FRS 102 and the Charities SoRP 2015 for the year ending 31 March 2016. This has resulted in presentational changes to the primary financial statements, a more detailed Trustees' report and review of prior year figures to determine if restatement is required.	We reviewed management's assessment of the impact of FRS 102 and the Charities SoRP on the financial statements. We reviewed the Trustee's reports to ensure it is compliant with the Charities SoRP. There were no material adjustments made to the financial statements as a result of the transition to FRS 102. Revenue recognition under the Charities SoRP 2015 was discussed with Management. It was noted that NGS have some grants which are not deemed to have performance related conditions attached. For some of these grants income is received upfront and in-line with the SoRP the income should recognised in the year received (and not in line with expenditure). We reviewed these grants and from testing noted that Management have taken the approach to match income against expenditure. Without a full review of all grant income received in the year and all grant conditions, we are not able to determine the full value associated with these types of grants, however, the total value of deferred income (i.e. the value of any income which potentially should have been recognised in the year) is £0.483m which is below performance materiality of £4.389m and so this value has not been adjusted.
Wider scope audit risk – financial sustainability There is unprecedented financial pressure on the public sector as a result of ever increasing demand during a period of financial austerity in UK public services. This is leading to public sector bodies across the country finding it increasingly difficult to fill budget gaps through the identification of efficiency savings. As a result there is an increasing risk that financial statements could be manipulated through manual transactions.	We reviewed management's financial projections going forward to assess their robustness. We built our understanding of the 2015-16 financial performance and ensured that our substantive testing programme was tailored to reflect the areas of risk such as cut off, provisioning and unrecorded liabilities. We also considered management's arrangements to manage its future financial position. We have noted that NGS do have financial projections in place for 2016-17 – 2020-21. These show a balanced budget for 2016-17 and an increasing deficit thereafter. The financial projections were presented to the Board in March 2016. Through discussions with Management we are aware that cost savings measures have been considered and are under review at the time of this report. See section 3 of this report for more details.

Materiality

We have conducted our work in accordance with the materiality levels detailed below. As noted in the audit plan, which was agreed with the Audit Committee, overall materiality was based on 2% of total assets for the year ending 31 March 2016. Materiality has been updated based on the figures within the financial statements this has resulted in a increase in overall materiality of £89,512. The de-minimus posting level has remained unchanged.

	£
Overall materiality – This is the amount we have applied in assessing the overall impact on the group financial statements of potential adjustments	**£5,852,180**
Performance materiality - We have applied this to direct the amount of work performed over each financial statement line item – for example in calculating sample sizes	**£4,389,135**
De-minimis posting level - Under ISA (UK & I) 450, we are required to report to the Audit Committee on all unadjusted misstatements in excess of a 'de-minimis' or 'clearly trifling' amount	**£250,000**

Misstatements and significant audit adjustments

There is one uncorrected misstatements arising from our audit to report to you.

Our audit testing identified an immaterial overstatement of the accruals balance. Within the finance system, purchase orders are raised and then invoices are matched against these purchase orders on payment. As at 31 March 2016, this represented a balance of circa £1.1m.

Discussions with Management noted that Management were aware of this balance and apart from a trivial movement in the year of £0.004m, the full balance is historical. Management believe that this balance relates to purchases orders that have been raised (the majority during 2010-2013 and relating to the capital expenditure on the Portrait Gallery) but then never matched to an invoice, however without a full detailed review of this balance, which would be a very time consuming exercise it is not possible to fully evidence this.

The result of this misstatement is an overstatement of creditors and an understatement of reserves of circa £1.1m. This is below our materiality threshold and so the financial statements are not materially misstated.

Management plan to review this balance and take action to clear any historical balances. This is expected to take place during 2016/17 and adjustments are expected to be made for the 2016/17 financial statements.

Qualitative aspects of accounting practices

Financial statement disclosures

We have also reviewed, and tested, the material disclosures in the financial statements. We identified some errors within the disclosures of the financial statements and these were addressed by Management. We identified no significant issues as part of this work.

Governance Statement

The Financial Reporting Manual requires the Chief Executive to sign a Governance Statement which covers all controls including financial, operational, compliance and the management of risk.

We reviewed the governance statement and considered the following:

- Compliance with the required elements as published by the Scottish Public Finance Manual; and
- Consistency with the remainder of information presented within the annual accounts and our overarching understanding of the entity.

Based on our normal audit procedures, **we do not disagree** with the disclosures contained in the Statement.

Section 3. Financial performance

Financial targets

Table 1: Financial targets summary 2015/16

The below table shows the outturn for the year against the Scottish Government resource limits.

	Outturn £ 000	Budget £ 000	Underspend/ (Overspend) £ 000
Total Capital Resource	0	0	0
Operating Expenditure (Cash)	14,155	14,155	0
Depreciation / Resource Budget (Non-cash)	1,240	1,900	(660)
Total Operating Resource	15,395	16,055	(660)

NGS had minor variances to budgeted resource limits during the year. Key areas of expenditure include:

- Staff costs (46.2% of total operating expenditure) — staff costs increased by £0.648m in the year, an increase of 6.8% on the prior year, partly due to an increase in staff numbers, but mainly due to the implementation of the Scottish Government pay policy and additional costs associated with increased pension rates.
- Other operating charges (36.7% of total operating expenditure) — other operating charges have decreased by £0.124m from the prior year. This decrease is due to several factors, including, but not limited to, a decrease in operating lease rentals, contracted staff costs and IT and communications costs.

Financial sustainability

Per Audit Scotland guidance, Financial Sustainability has been added as an elevated risk in addition to those risks identified in our audit plan. Financial sustainability has become a key matter for consideration by all public sector entities and given the grant in aid cuts and cost pressures mentioned above it is vital that consideration of longer term financial plans has taken place.

The Financial Plan for 2016/17 identifies the following key areas of income and expenditure:

Approved 2016/17 budget

NGS	2016/17 Approved Budget £ 000
Grant in Aid – Revenue	12,895
Other income (self-generated and trading income)	3,424
Total Income	**16,319**
Salary costs	**10,550**
Other Expenditure	**5,767**
Expenditure	**16,317**
Surplus / (Deficit)	**2**

The above budget was presented to the Audit Committee and Board in March 2016. It presents a balanced budget. Other expenditure includes departmental spend, estates costs and exhibition costs.

2017/18 and beyond

Cost pressures and efficiencies

In Mach 2016 NGS presented to the Audit Committee and the Board, a business plan with financial projections up to and including financial year 2019-20. The financial plan presents a deficit for 2017-18, 2018-19 and 2019-20 in the region of £800k per annum.

Management have taken a prudent approach when preparing the financial projections. Grant in aid has been assumed to decrease by 1% per annum, representing a 4% decrease by 2019/20. A decrease in self-generated income has been recognised in 2017/18 of circa £400k from the prior year, representing the impact of the closure of some buildings due to the SNG project. During this time, Management do plan on increasing activities at other sites to generate further income at these sites, however, the additional income at other sites has not been accounted for in the projections, given the level of judgement and estimation required.

Management have identified the measures available to reduce the potential deficit and are reviewing these measures in order to take action and address the funding gap.

Section 4. Governance and internal control

Governance structure

NGS is governed by a Board of Trustees (Board) that is appointed by the Scottish Government. The Board is responsible for ensuring that NGS fulfils the aims and objectives set by Scottish Ministers. The role of the Board includes establishing the overall strategic direction, monitoring performance against agreed objectives and ensuring that statutory requirements for the use of public funds are complied with.

The Board is supported by a Senior Management Team, the Audit Committee, which has responsibility for monitoring risk and internal control, the Governance Committee and the Staffing & Remuneration Committee.

We consider that the governance arrangements in place are appropriate.

System of internal control

The Director General in conjunction with management and the Audit Committee is responsible for developing and implementing systems of internal financial control and having in place proper arrangements to monitor their adequacy and effectiveness in practice.

We review these arrangements for the purposes of our audit of the financial statements and for our review of the annual governance statement and report to you any significant deficiencies in internal control that we find during our audit. We have not noted any significant matters that, in our professional judgement, we believe we should bring to your attention.

Follow up on prior year recommendations

We have followed up on the matters that were raised last year and can confirm that action has been taken by Management on all of these and they now closed.

Deficiency identified in 2014/15	Recommendation raised in 2014/15	Follow up 2015/16
Recording of Restricted and Unrestricted Expenditure/Income It was noted that the current process for recording expenditure and income does not easily allow it to be recorded as restricted and unrestricted within the finance ledger. The process of identifying restricted and unrestricted expenditure/income is performed at year end. Our testing over expenditure and income is designed to identify any	A control should be implemented going forward to ensure that all expenditure and income is recorded as restricted or unrestricted within the finance ledger, as it is received. **Management response:** Restricted income is to be tracked in the general ledger and management reports going forward.	Restricted income and expenditure has been tracked, allowing for this to be correctly presented in the financial statements for the year 2015/16. **Matter now closed.**

material misstatement within presentation of restricted and unrestricted. Our testing has not identified any misstatements relating this, however in order to accurately record the split between restricted and unrestricted, a control should be put in place, to allow this to be input to the finance ledger.		
Disclosure of Related Parties All related parties of both the Trustees and Senior Management should be disclosed on their Declaration of Interest forms, to ensure that accurate reporting of related parties can occur. It was found during testing that some Trustees had not accurately disclosed all related parties on their declarations. Although there were no material related party transactions noted, there is a risk that if trustees and senior management do not declare all related parties, transactions may occur which are not recognised and therefore not appropriately disclosed in the financial statements.	Trustees should be reminded to report all related parties, including their employer, in their annual declaration forms. The definition of a related party per NGS policies should be circulated to all Trustees. **Management response:** A code of conduct exists for all trustees outlining their responsibilities for disclosing related parties. This was updated in May 2015 and circulated to and approved by all trustees.	No issues were noted in the current year in this area. **Matter now closed.**
Review and Authorisation of Journals 17 individuals had access to post journals in the year. This is a high number in relation to the size of the finance department, however, we note that this is due to high staff turnover. At present, manual journals are not formally reviewed or approved once posted. Through our testing we did not identify any incidences of fraud in relation to manual journals. However, there is a risk that a fraudulent or incorrect journal could be posted which would not be identified due to the lack of review and approval of manual journals. This risk is increased when there is a	A control should be put in place whereby manual journals are reviewed and approved by a Senior member of the Finance team to reduce the risk of error or fraud. **Management response:** It may not be practical nor necessary for all manual journals to be reviewed, however as part of a general control review on key processes this will be assessed and a recommendation presented to Audit & Risk in respect of control over manual journal entry.	It is management's view that this control is not practical or necessary given that there are compensating controls now in place. We have reviewed the arrangements and are satisfied to address the risk. In addition, we did not identify any incidences of fraud in relation to manual journals. **Matter now closed.**

high staff turnover, and as such this is an area where controls should be improved.		
Efficiency Savings A draft document is in place which details the self-generated income required over the coming years to close the funding gap. The draft plan notes additional income required of £1.0m in 2015/15 to £3.9m in 2019/20. Given the increasing funding gap it is essential that a detailed plan is in place and approved by Management. We acknowledge that NGS are in the process of identifying how it will deliver these savings for the coming five years.	Management should ensure they progress the exercise being undertaken to identify potential ways to generate income over the coming years. Detailed plans should then be developed to set out how the changes will be implemented and this should be presented to the Audit and Risk Committee for their review. **Management response:** The Business Planning exercise is an ongoing process and the Management Team are focussed on delivering the proposed changes. The plan is reviewed and discussed at SMT and Audit and Risk and Board level on a regular basis.	Updated, see section 3 on Financial Sustainability above. **Matter now closed.**

Based on our work performed we consider the systems of internal control to be appropriate.

Risk management

NGS has an established risk management strategy within the organisation. NGS has a published Risk Policy and maintains a Risk Register. The Board identify key risks each year, and puts in place processes to manage these risks.

The risk register is monitored by the Audit and Risk Committee.

Internal Audit

As described in our Annual Plan, International Standard on Auditing (UK and Ireland) 610: "Using the work of internal auditors" requires us to:

- Consider the activities of Internal Audit and the extent that their work can be relied upon for external audit procedures;
- Obtain sufficient understanding of internal audit activities and the effectiveness of the function to enable us to identify areas of risk and develop an effective and targeted audit approach; and
- Evaluate and test the quality and timeliness of internal audit work, where we seek to rely on the findings, in order to confirm its adequacy for our purposes.

The internal auditors are Chiene & Tait. They have completed the internal audit plan for 2015/16. PwC staff attended Audit Committee meetings where internal audit reviews were presented. We assessed the internal audit reports issued during the year and considered any potential impact on our audit. As in prior years, due to our audit approach, we have taken no reliance on the work performed by internal audit.

Based on audit work performed we consider the Internal Audit function to be appropriate for the needs of the Board.

Other matters

Compensation and Confidentiality Agreements

One compromise agreement was made during the year, there was no financial effect on the organisation as a result of this agreement.

Section 5. Fraud

International Standards on Auditing (UK&I) state that we, as auditors, are responsible for obtaining reasonable assurance that the financial statements taken as a whole are free from material misstatement, whether caused by fraud or error. The respective responsibilities of auditors and management are summarised below:

Auditors' responsibility

Our objectives are:

- to identify and assess the risks of material misstatement of the financial statements due to fraud;
- to obtain sufficient appropriate audit evidence regarding the assessed risks of material misstatement due to fraud, through designing and implementing appropriate responses; and
- to respond appropriately to fraud or suspected fraud identified during the audit.

Management's responsibility

Management's responsibilities in relation to fraud are:

- to design and implement programmes and controls to prevent, deter and detect fraud;
- to ensure that the entity's culture and environment promote ethical behaviour; and
- to perform a risk assessment that specifically includes the risk of fraud addressing incentives and pressures, opportunities, and attitudes and rationalisation.

Prevention and detection of fraud and corruption

Audited bodies are responsible for establishing arrangements to prevent and detect fraud and other irregularity. As part of our external audit, we have reviewed NGS's high level arrangements for preventing and detecting instances of fraud and corruption. There are no matters we wish to bring to your attention concerning fraud.

NGS's internal control environment is designed to prevent and detect instances of fraud, specifically through published anti-fraud policies and procedures, segregation of duties and authorisation processes. All fraud is investigated by either the Head of HR, Head of Operations or Chief Operating Officer in the first instance, with an independent investigator appointed by the Chief Operating Officer where required. There is a whistleblowing policy in place, which was developed in line with the Bribery Act (2010). The only instances of fraud communicated to external audit in the year are those noted within the governance statement of the financial statements. These are not deemed to have a material financial impact on the financial statements.

Based on audit work performed we consider that the controls in place to prevent and detect fraud or corruption to be suitable for the operations of the Board.

Section 6. Independence

Independence and objectivity

We have made enquiries of all PricewaterhouseCoopers' teams providing services to you and of those responsible in the UK Firm for compliance matters.

There are no matters which we perceive may impact our independence and objectivity of the audit team.

Independence conclusion

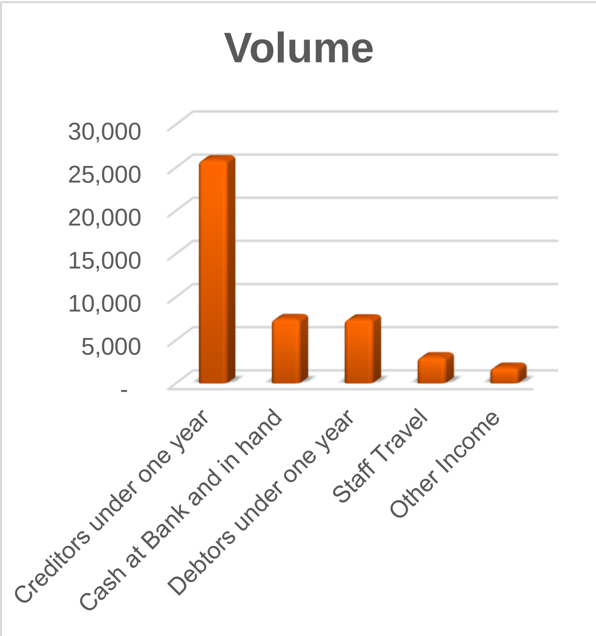
At the date of this plan we confirm that in our professional judgement, we are independent accountants with respect to NGS, within the meaning of UK regulatory and professional requirements and that the objectivity of the audit team is not impaired.

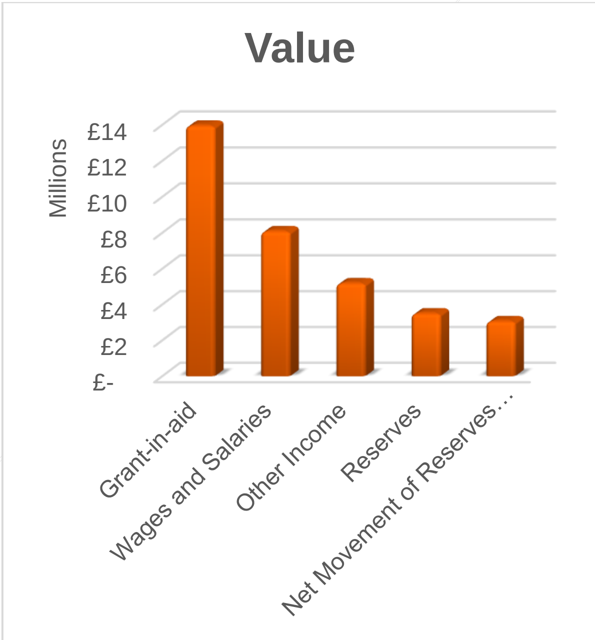
Appendix 1: Journals insight

Summary		
	Quantity	**Value (GBP)**
Total journals	**22,650**	**£171,592,978**

The data above shows the total number and value of journals, both manual and automated, posted in the financial year 2015/16.

Top 5 Financial Statement Line Items



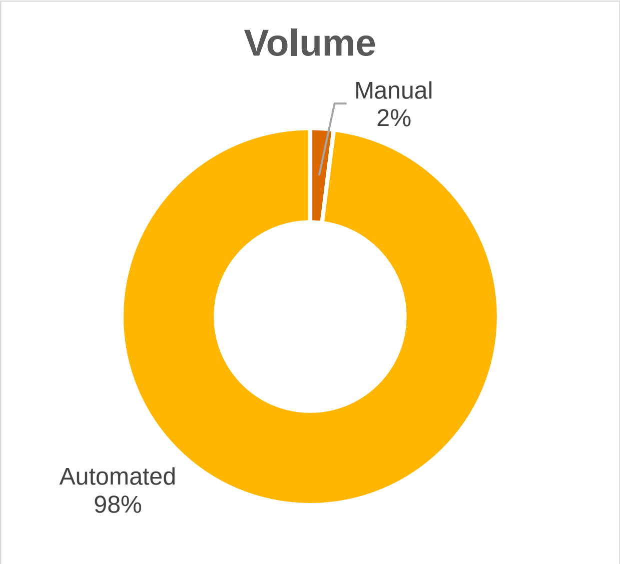


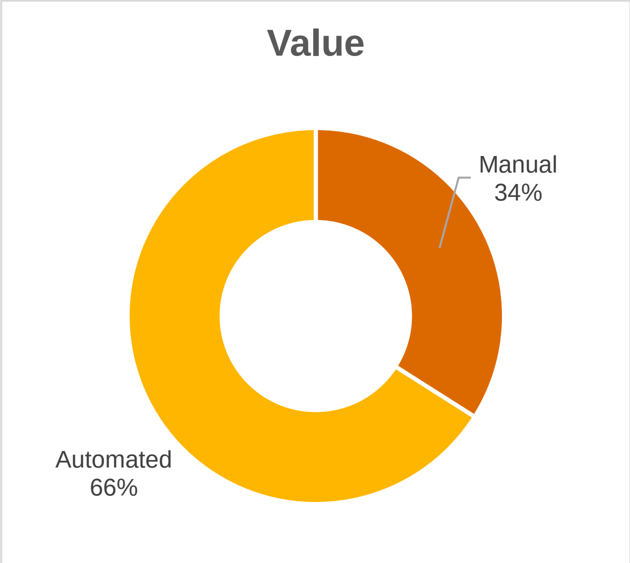
The graphs shown above depict the most frequently used Financial Statement Line Items for all the journals posted during the financial year. These graphs include both manual and automated journals.

The graph on the left shows the Financial Statement Line Items with the largest volume of journal transactions against them. It can be seen that a total of 25,868 journal lines (out of a total 59,232 were posted to Creditors under one year. This is a substantial amount, but it reflects the movement within this area for items such as purchase order accruals. As most credits posted will have been reversed out as part of the normal course of business this large volume does not suggest anything untoward.

The above right graph shows the value of manual and automated journals posted to the top five Financial Statement Line Items. It can be seen that the highest value relates to the grant in aid received from the Scottish Government, followed by Wages and Salaries; these are in line with our expectations as they are some of the largest balances within the Statement of Financial Activites.

Manual vs. Automated Journals





The above graphs compare manual to automated journals. The graph on the left depicts this by volume of journals posted and the graph on the rights shows the values of journals posted.

As expected, the volume of manual journals is negligible at 2% of total journals posted, however when we compare the total values of journals posted we see that manual journals make of 34% of the total value, or £58 million of a total £172 million. Again this is in line with what we would expect to see: manual journals will be posted for non-standard transactions e.g. Wages and Salaries, which we have already identified above as a top 5 Financial Statement Line Item for journals by value.