



mhc
coimisiun meabhair - shláinte
mental health commission



MENTAL HEALTH COMMISSION
COIMISIÚN MEABHAIR-SHLÁINTE

FINANCIAL STATEMENTS

For the year ended 31 December 2021

MENTAL HEALTH COMMISSION

Financial Statements For the year ended 31 December 2021

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MENTAL HEALTH COMMISSION

General Information

For the year ended 31 December 2021

Senior Leadership Team

Mr John Farrelly – Chief Executive
Dr. Susan Finnerty – Inspector of Mental Health Services
Ms Orla Keane – General Counsel for MHC (DSS)
Ms Áine Flynn – Director - Decision Support Service
Mr Simon Murtagh – Chief Operations Officer
Mr Gary Kiernan – Director of Regulation

Members of the Commission

Mr John Saunders (Chair)
Mr. Ned Kelly
Ms. Rowena Mulcahy
Dr. Michael Drumm
Ms. Nicola Byrne
Dr. Margo Wrigley
Mr. Patrick Lynch
Ms. Colette Nolan
Mr. Tomás Murphy
Dr. Jack Nagle
Dr. John Hillery
Ms. Fionn Fitzpatrick (Appointed 12/02/2021)
Dr. John Cox (Appointed 12/02/2021)

Head Office

Waterloo Exchange
Waterloo Road
Dublin 4

Web Site: www.mhcirl.ie

Bankers

Allied Irish Bank
1 Lower Baggot Street
Dublin 2

Auditors

The Comptroller and Auditor General
3A Mayor Street Upper
Dublin 1

Solicitor

Byrne Wallace LLP
88 Harcourt Street
Dublin 2

Accountants

Crowleys DFK
16/17 College Green
Dublin 2



Ard Reachtaire Cuntas agus Ciste Comptroller and Auditor General

Report for presentation to the Houses of the Oireachtas

Mental Health Commission

Qualified opinion on the financial statements

I have audited the financial statements of the Mental Health Commission for the year ended 31 December 2021 as required under the provisions of section 47 of the Mental Health Act 2001. The financial statements have been prepared in accordance with Financial Reporting Standard (FRS) 102 — *The Financial Reporting Standard applicable in the UK and the Republic of Ireland* and comprise

- the statement of income and expenditure and retained revenue reserves
- the statement of financial position
- the statement of cash flows, and
- the related notes, including a summary of significant accounting policies.

In my opinion, except for the non-compliance with the requirements of FRS 102 in relation to retirement benefit entitlements referred to below, the financial statements give a true and fair view of the assets, liabilities and financial position of the Mental Health Commission at 31 December 2021 and of its income and expenditure for 2021 in accordance with FRS 102.

Basis for qualified opinion on financial statements

In compliance with the directions of the Minister for Health, the Mental Health Commission accounts for the costs of retirement benefit entitlements only as they become payable. This does not comply with FRS 102 which requires that the financial statements recognise the full cost of retirement benefit entitlements earned in the period and the accrued liability at the reporting date. The effect of the non-compliance on the Mental Health Commission's financial statements for 2021 has not been quantified.

I conducted my audit of the financial statements in accordance with the International Standards on Auditing (ISAs) as promulgated by the International Organisation of Supreme Audit Institutions. My responsibilities under those standards are described in the appendix to this report. I am independent of the Mental Health Commission and have fulfilled my other ethical responsibilities in accordance with the standards.

I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion.

Report on information other than the financial statements, and on other matters

The Mental Health Commission has presented certain other information together with the financial statements. This comprises the governance statement and Commission members' report, and the statement on internal control. My responsibilities to report in relation to such information, and on certain other matters upon which I report by exception, are described in the appendix to this report.

I have nothing to report in that regard.

**John Crean
For and on behalf of the
Comptroller and Auditor General**

29 June 2022



Ard Reachtaire Cuntas agus Ciste Comptroller and Auditor General

Responsibilities of Commission members

As detailed in the governance statement and Commission members' report, the Commission members are responsible for

- the preparation of annual financial statements in the form prescribed under section 47 of the Mental Health Act 2001
- ensuring that the financial statements give a true and fair view in accordance with FRS 102
- ensuring the regularity of transactions
- assessing whether the use of the going concern basis of accounting is appropriate, and
- such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

Responsibilities of the Comptroller and Auditor General

I am required under section 47 of the Mental Health Act 2001 to audit the financial statements of the Mental Health Commission and to report thereon to the Houses of the Oireachtas.

My objective in carrying out the audit is to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement due to fraud or error. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with the ISAs, I exercise professional judgment and maintain professional scepticism throughout the audit. In doing so,

- I identify and assess the risks of material misstatement of the financial statements whether due to fraud or error; design and perform audit procedures responsive to those risks; and obtain audit evidence that is sufficient and appropriate to provide a basis for my opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- I obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the internal controls.
- I evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures.

- I conclude on the appropriateness of the use of the going concern basis of accounting and, based on the audit evidence obtained, on whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Mental Health Commission's ability to continue as a going concern. If I conclude that a material uncertainty exists, I am required to draw attention in my report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify my opinion. My conclusions are based on the audit evidence obtained up to the date of my report. However, future events or conditions may cause the Mental Health Commission to cease to continue as a going concern.
- I evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

I communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that I identify during my audit.

I report by exception if, in my opinion,

- I have not received all the information and explanations I required for my audit, or
- the accounting records were not sufficient to permit the financial statements to be readily and properly audited, or
- the financial statements are not in agreement with the accounting records.

Information other than the financial statements

My opinion on the financial statements does not cover the other information presented with those statements, and I do not express any form of assurance conclusion thereon.

In connection with my audit of the financial statements, I am required under the ISAs to read the other information presented and, in doing so, consider whether the other information is materially inconsistent with the financial statements or with knowledge obtained during the audit, or if it otherwise appears to be materially misstated. If, based on the work I have performed, I conclude that there is a material misstatement of this other information, I am required to report that fact.

Reporting on other matters

My audit is conducted by reference to the special considerations which attach to State bodies in relation to their management and operation. I report if I identify material matters relating to the manner in which public business has been conducted.

I seek to obtain evidence about the regularity of financial transactions in the course of audit. I report if I identify any material instance where public money has not been applied for the purposes intended or where transactions did not conform to the authorities govern

MENTAL HEALTH COMMISSION

Governance Statement and Commission Members' Report

Governance

The Commission was established under the Mental Health Act 2001 (the 2001 Act). The functions of the Commission are set out in section 33 of this Act. The Commission is accountable to the Minister for Health and is responsible for ensuring good governance and performs this task by setting strategic objectives and targets and taking strategic decisions on all key business issues. The regular day-to-day management, control and direction of the Mental Health Commission are the responsibility of the Chief Executive (CE) and the Senior Leadership Team (SLT). The CE and the SLT must follow the broad strategic direction set by the Commission, and must ensure that all Commission members have a clear understanding of the key activities and decisions related to the entity, and of any significant risks likely to arise.

The Commission acts through, and its functions are performed in the name of the Commission, by the CE. The CE mandates and controls generally the administration and business of the Commission and such other (if any) functions as may be determined by the Commission.

The Commission's statutory functions were expanded on 30 December 2015 with the enactment of the Assisted Decision-Making (Capacity) Act 2015 (the 2015 Act). The Commission is responsible for the establishment of the Decision Support Service and for the appointment of the Director of the Decision Support Service.

The 2015 Act provides for the establishment of the Decision Support Service (DSS) within the Mental Health Commission. The DSS will support decision-making by and for adults with capacity difficulties and will regulate individuals who are providing support to people with capacity difficulties. The 2015 Act reforms Ireland's capacity legislation, which has been in place since the 19th century. It will establish a modern statutory framework to support decision-making.

Commission Responsibilities

The work and responsibilities of the Commission are set out in Mental Health Commission's Corporate Governance manual, which also contains the matters specifically reserved for the Commission's decisions. Matters specifically reserved to members of the Commission are: -

- To define the vision and strategic direction of the organisation.
- To ensure the organisation fulfils its statutory duties.
- To define the internal control mechanisms for the organisation to safeguard public resources.
- To monitor the overall management of the organisation.
- Adoption of the Commission's Strategic Plan, Annual Business Plan and Annual Budget.
- Approval of significant acquisitions, disposals and retirements of assets of the organisation.
- Approval of any borrowings by the Commission, subject to the approval of the Minister for Expenditure and Public Reform (Section 41 of the 2001 Act).
- Approval of annual report and other reports requested by the Minister (Section 42 of the 2001 Act).
- Approval of the annual financial statements.
- Appointment of the Finance, Audit and Risk Committee.
- Review of the organisation's system of internal controls.
- Appointment, remuneration and assessment of and succession planning for the Chief Executive.
- Significant amendments to the pension benefits of the Chief Executive and Staff.

MENTAL HEALTH COMMISSION

Governance Statement and Commission Members' Report (continued)

Section 47 of the 2001 Act requires the Commission to keep, in such form as may be approved by the Minister for Health, all proper and usual accounts of money received and expended by it.

In preparing these financial statements, the Commission of the Mental Health Commission is required to:

- select suitable accounting policies and apply them consistently,
- make judgements and estimates that are reasonable and prudent,
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that it will continue in operation,
- and state whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements.

The Commission is responsible for keeping adequate accounting records which disclose, with reasonable accuracy at any time, its financial position and enables it to ensure that the financial statements comply with Section 47 of the Mental Health Act 2001. The maintenance and integrity of the corporate and financial information on the Mental Health Commission's website is the responsibility of the Commission.

The Commission is responsible for approving the annual plan and budget. The 2021 annual plan and budget were approved on 21 January 2021 and 25 March 2021 respectively.

The Commission is also responsible for safeguarding its assets and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The Commission considers that the financial statements of the Mental Health Commission give a true and fair view of the financial performance and the financial position of the Mental Health Commission at 31 December 2021, except for the non-compliance with the requirements of FRS 102 in relation to retirement benefit entitlements, as directed by the Minister for Health.

Commission Structure

The Commission consists of a Chairperson, and 12 ordinary members, all of whom are appointed by the Minister for Health. The members of the Commission were appointed for a period of five years and meet at least 8 times a year. The table below details the appointment period for current members:

Commission Member	Role	Date Appointed
John Saunders	Chairperson	Reappointed 05/04/2017
Ned Kelly	Member	Reappointed 29/09/2017
Rowena Mulcahy	Member	Appointed 26/09/2017
Dr. Michael Drumm	Member	Appointed 05/04/2017
Nicola Byrne	Member	Appointed 05/04/2017
Dr. Margo Wrigley	Member	Appointed 05/04/2017
Patrick Lynch	Member	Appointed 05/04/2017
Colette Nolan	Member	Reappointed 05/04/2017
Tómas Murphy	Member	Appointed 22/01/2019
Dr. Jack Nagle	Member	Appointed 17/12/2019
Dr. John Hillery	Member	Appointed 01/11/2020
Fionn Fitzpatrick	Member	Appointed 12/02/2021
Dr John Cox	Member	Appointed 12/02/2021

MENTAL HEALTH COMMISSION

Governance Statement and Commission Members' Report (continued)

The Commission undertook an internal evaluation of their own performance for the year in December 2021 as guided by the Code of Practice for the Governance of State Bodies (2016).

The Commission has established two committees, as follows:

1. Finance, Audit and Risk Committee: comprises three Commission members and four independent members. The role of the Finance, Audit and Risk Committee (FARC) is to support the Commission in relation to its responsibilities for issues of risk, control and governance and associated assurance. The FARC is independent from the financial management of the organisation. In particular, the Committee ensures that the internal control systems including audit activities are monitored actively and independently. The FARC reports to the Commission after each meeting, and formally in writing annually.

The members of the Finance, Audit and Risk Committee are: Patrick Lynch (Chairperson), Mairead Dolan, Ciara Lynch, Kevin Roantree, Richard O'Farrell, Tomás Murphy and Nicola Byrne. There were four meetings of the FARC in 2021. The Chairman of the Commission is an ex officio member of the Finance, Audit and Risk Committee.

2. Legislation Committee: comprises three Commission members and two independent members. The members of this committee are: Rowena Mulcahy (Chairperson)(Resigned 18th February 2021), Ned Kelly, Michael Drumm (Appointed Chairperson 15th July 2021), Mary Donnelly, Teresa Blake and John Hillery (Appointed 15th July 2021). There were 2 meetings of the Legislation Committee in 2021.

MENTAL HEALTH COMMISSION

Governance Statement and Commission Members' Report (continued)

Schedule of Attendance, Fees and Expenses

A schedule of attendance at the Commission and Committee meetings for 2021 is set out below including the fees and expenses received by each member:

	Commission	Finance, Audit & Risk Committee	Legislation Committee	Fees 2021 €	Expenses 2021 €
Number of meetings	11	4	2		
John Saunders	11	-	-	11,970	156
Ned Kelly	8	-	1	-	-
Rowena Mulcahy	11	-	1	7,695	-
Dr. Michael Drumm	10	-	2	-	-
Nicola Byrne	10	4	-	-	-
Dr. Margo Wrigley	10	-	-	1,924	-
Patrick Lynch	10	4	-	-	-
Colette Nolan	9	-	-	7,695	-
Jack Nagle	11	-	-	7,695	-
Tómas Murphy	9	2	-	-	-
Ciara Lynch	-	2	-	-	-
Kevin Roantree	-	3	-	-	-
Richard O'Farrell	-	3	-	-	-
Mary Donnelly	-	-	2	-	-
Mairead Dolan	-	4	-	-	-
Teresa Blake	-	-	1	-	-
Dr. John Hillery	11	-	-	7,695	-
Fionn Fitzpatrick	7/9	-	-	6,811	-
Dr John Cox	8/9	-	-	6,811	-
				58,296	156

Five of the Commission members did not receive a Commission fee under the One Person One Salary (OPOS) principle. There was no Commission meeting and conference costs (2020: €4,471) incurred during the year.

Key Personnel Changes

Fionn Fitzpatrick and Dr. John Cox were appointed to the Commission on 12 February 2021.

The Chair of the Legislation Committee, Rowena Mulcahy, resigned as of 18 February 2021. Michael Drumm was appointed Chair of the Committee as of 15 July 2021. John Hillery was appointed as a Member of the Committee as of 15 July 2021.

Disclosures Required by Code of Practice for the Governance of State Bodies (2016)

The Commission is responsible for ensuring that the Mental Health Commission has complied with the requirements of the Code of Practice for the Governance of State Bodies ("the Code"), as published by the Department of Public Expenditure and Reform in August 2016. The following disclosures are required by the Code.

Employee Short-Term Benefits Breakdown are disclosed in note 5 to the financial statements.

MENTAL HEALTH COMMISSION

Governance Statement and Commission Members' Report (continued)

Consultancy Costs

Consultancy costs include the cost of external advice to management and exclude outsourced 'business-as-usual' functions.

	2021	2020
	€	€
Legal advice	154,407	101,356
Procurement	720	-
CIS Support	12,497	-
Regulatory Review	281,670	-
Hybrid Working Review	61,500	-
Risk Management Review	30,442	-
Health and Safety	24,464	-
DSS Business Analysis Project Management	1,289,202	658,194
HR and Pension	117,914	-
ICT Advisory	30,100	28,930
Board Effectiveness Review	-	16,600
Quality Framework Review	9,749	-
Total consultancy costs	<u>2,012,665</u>	<u>805,080</u>

Legal Costs and Settlements

The table below provides a breakdown of amounts recognised as expenditure in the reporting period in relation to legal costs, settlements and conciliation and arbitration proceedings relating to contracts with third parties. This does not include expenditure incurred in relation to general legal advice received by the Mental Health Commission which is disclosed in Consultancy costs above.

	2021	2020
	€	€
Legal fees - legal proceedings	551,757	467,248
Legal fees – legal aid scheme	3,131,334	2,670,321
Settlements	1,845	6,193
Total	<u>3,684,936</u>	<u>3,143,762</u>

Travel and Subsistence Expenditure

Travel and subsistence expenditure are categorised as follows:

	2021	2020
	€	€
Domestic		
- Commission	156	3,730
- Employees	77,566	75,227
International		
- Commission	-	-
- Employees	117	1,724
Total	<u>77,839</u>	<u>80,681</u>

MENTAL HEALTH COMMISSION

Governance Statement and Commission Members' Report (continued)

Hospitality Expenditure

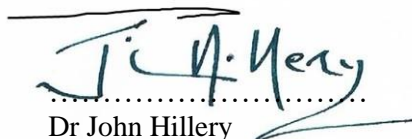
The Statement of Income and Expenditure and Retained Revenue Reserves includes the following hospitality expenditure:

	2021	2020
	€	€
Commission / Staff hospitality	6,076	2,585
Total	<u>6,076</u>	<u>2,585</u>

No client hospitality related expenditure was incurred in 2021 (2020: nil).

Statement of Compliance

The Commission has adopted the Code of Practice for the Governance of State Bodies (revised 2016) and has put procedures in place to ensure compliance with the provisions of the Code. The Commission is in full compliance with the Code for the year ended 2021.



Dr John Hillery
Chairperson
27th June 2022



John Farrelly
Chief Executive
27th June 2022

MENTAL HEALTH COMMISSION

Statement on Internal Control

Scope of Responsibility

As Chairperson, I acknowledge the Commission is responsible for the system of internal control. The Commission has delegated responsibility to the Chief Executive to deal with management and operational issues and to report to the Commission regularly.

Purpose of the System of Internal Control

The system can only provide reasonable and not absolute assurance that assets are safeguarded, transactions authorised and properly recorded, and that material errors or irregularities are either prevented or would be detected in a timely manner.

Control Environment

The following steps have been taken to ensure an appropriate control environment:

- The Commission has a regular schedule of meetings (at least eight per annum) at which it is provided with regular updated reports of expenditure.
- A Finance, Audit and Risk Committee of the Commission has been established. The Committee's Terms of Reference are in accordance with the Code of Practice for the Governance of State Bodies (revised 2016) to include oversight on financial reporting, external and internal audits, risk management and internal controls.
- Management responsibilities are assigned, with corresponding accountability.

Risk and Control Framework

The Mental Health Commission has established processes to identify and evaluate financial and business risks by:

- Identifying the nature and extent of financial risks and business risks facing the Commission.
- Assessing the likelihood of identified risks occurring.
- Assessing the Mental Health Commission's ability to manage and mitigate the risks that do occur.

MENTAL HEALTH COMMISSION

Statement on Internal Control (continued)

Impact of COVID-19 pandemic to the Control Environment

The onset of the COVID-19 pandemic in early 2020, and the resulting public health advice and safety measures, rapidly and fundamentally changed the working practices of the MHC with remote and virtual working becoming the norm for most MHC staff. The pandemic and the public health restrictions continued throughout 2021 and the MHC continued to monitor the impact of the pandemic on the internal control environment.

MHC sought to mitigate the risks that may affect the MHC's business operations, staff and stakeholders. Actions taken by the Commission includes: -

- Continual monitoring of MHC's Business as Usual (BAU) model in a remote working environment where most business processes continued as normal.
- Continual assessment of significant risks pertaining to the COVID-19 pandemic and the agility of the MHC to respond effectively.
- Ensuring robust segregation of duties remains and adequate cover is in place should specific approving authorities be unavailable.
- Ensuring all existing data protection and records management policies and procedures continue to apply in the remote working environment and are monitored and reported on as normal.
- Ensuring that staff members access MHC's network using MHC's approved ICT equipment and that all staff members working remotely have been equipped with the necessary ICT equipment.
- Ensuring robust and secure measures to counteract the threat of cyber attacks have been put in place.
- Assessing on an ongoing basis the potential for weaknesses in internal controls resulting from COVID-19 and taking measures to monitor and update internal controls where necessary.
- Continual monitoring of the external environment and adhering to Public Health advice.
- Convening of Mental Health Tribunals by video conferencing in place of face to face.

Ongoing Monitoring and Review

The system of internal control is based on a framework of regular management information, administrative procedures including segregation of duties, and a system of delegation and accountability. In particular it includes:

- Appropriate budgeting system with an annual budget, which is reviewed regularly by senior management.
- Regular review by senior management of periodic and annual financial reports, which indicate financial performance against forecasts.
- Regular senior leadership team meetings.
- Completion of an Internal Control Questionnaire (ICQ) by senior management to assess the effectiveness of the control environment in their respective areas of responsibility.
- Update of the C&AG guidance issued on "The impact of Covid-19 on your control environment (September 2020)."

MENTAL HEALTH COMMISSION

Statement on Internal Control (continued)

Mechanisms for ensuring the adequacy of the security of the Information and Communication Technology (ICT) systems that include the establishment of appropriate policies and control procedures have been established. This also includes robust cyber security measures to protect the ICT network from unwanted threats.

The Mental Health Commission has a properly constituted internal audit function which reports to the Finance, Audit and Risk Committee. The internal audit function operates in accordance with the Code of Practice for the Governance of State Bodies. The Commission's monitoring and review of effectiveness of the systems of internal control is informed by the work of the outsourced internal auditor and the Finance, Audit and Risk Committee. The following internal audits were completed in 2021, as part of a 3-year internal audit plan:-

- Review of the Health and Safety
- Review of DSS Governance and Management
- Review of Operational Resilience

Two further internal audits were carried out during the year but not completed by 31 December 2021:

- Review of Internal Financial Control
- Review of the Rules, Code of Practice and Guidance.

Procurement

I confirm that Mental Health Commission has procedures in place to ensure compliance with current procurement rules and guidelines.

The Finance, Audit and Risk Committee receives updates by way of a Statement of Procurement Non-Compliances prepared by management. I can confirm that no procurement breaches occurred in 2021.

Review of Effectiveness

The Finance, Audit and Risk Committee have reviewed the Statement on Internal Control and the Commission to ensure it accurately reflects the control system in operation during the reporting period.

I confirm that the Commission conducted an annual review of the effectiveness of the internal controls for 2021 and this was signed off by the Commission in March 2022.

The Commission is of the opinion that reasonable assurance can be placed on the effectiveness of the system of internal controls instituted and implemented for the financial year ended 31 December 2021.

MENTAL HEALTH COMMISSION

Internal Control Issues

Internal Control Issues	Mitigating actions
<p>1. Review of the Health and Safety Process</p> <p>During 2021, a review of the Health and Safety processes was conducted by the Internal Auditor.</p> <p>Four findings of importance were identified during the audit, as follows:</p> <ol style="list-style-type: none"> 1. Retention of Covid-19 Health Checklists 2. Covid-19 responses to be incorporated into an MHC Business Continuity Plan 3. MHC Accident / Near-Miss Log not utilised for Inspections 4. Health & Safety Committee Terms of Reference 	<p>In response to addressing the findings identified, the Commission took the following actions:</p> <ol style="list-style-type: none"> 1. There is a process in place if an inspector has Covid-19 symptoms before entering an approved centre. However, under GDPR regulations the MHC does not retain the health checklists completed by them. 2. The Business Continuity Plan has been drafted and the MHC will ensure that emergency response procedures, introduced during the Covid-19 pandemic, are incorporated into the plan. 3. A log of all accidents and near misses is maintained and is discussed at the quarterly Health and Safety meetings. 4. The MHC has drafted a Terms of Reference for the Health & Safety Committee.
<p>2. Review of DSS Governance and Management</p> <p>During 2021, a review of DSS governance and management was conducted by the Internal Auditor.</p> <p>Two findings of importance were identified during the audit, as follows:</p> <ol style="list-style-type: none"> 1. Enhancements to DSS Project change request process 2. Enhancements to DSS Project risk management 	<p>In response to addressing the findings identified, the Commission took the following actions:</p> <ol style="list-style-type: none"> 1. The Change Control Procedure document was updated to include thresholds for changes that require escalation to the Change Control Board or the DSS Project Board. 2. The MHC undertook a risk review and a new reporting format was implemented to align DSS and corporate risks. Further, the DSS Project Team will consider the reallocation of ownership of risk in the RAID logs as appropriate. Any reallocation will be addressed in reports to the Project Board.

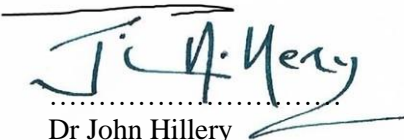
MENTAL HEALTH COMMISSION

<p>3. Review of Operational Resilience</p> <p>During 2021, a review of operational resilience was conducted by the Internal Auditor.</p> <p>Two findings of importance were identified during the audit, as follows:</p> <ol style="list-style-type: none"> 1. Enhancements to MHC Business Continuity Plan development 2. Data Privacy Risk Assessment 	<p>In response to addressing the findings identified, the Commission took the following actions:</p> <ol style="list-style-type: none"> 1. The Business Continuity Plan has been drafted and the MHC will ensure that emergency response procedures, introduced during the Covid-19 pandemic, are incorporated into the plan. The MHC will ensure that an additional review will take place twelve months after the DSS becomes operational. 2. When the Working from Home Policy is launched in line with Government policy, the MHC will carry out a data privacy and risk assessment of staff working in a hybrid working arrangement. In line with the results of this risk assessment the MHC will take the appropriate action to address any underlying risks and will put in place new controls or enhance existing controls to mitigate the risks identified.
<p>4. Review of the Rules, Code of Practice and Guidance</p> <p>During 2021, a review of the rules, codes of practice and guidance was conducted by the Internal Auditor.</p> <p>One finding of importance was identified during the audit, as follows:</p> <ol style="list-style-type: none"> 1. Policies and Procedures 	<p>In response to addressing the findings identified, the Commission took the following actions:</p> <ol style="list-style-type: none"> 1. The MHC will update the Standards Development policy to ensure it is fit for purpose and incorporates the matters identified during the review, including a process for policy review and revision.
<p>5. Data Breaches</p> <p>There was one data breach reported to the Data Protection Commissioner during 2021. The breach occurred when a letter addressed to a patient was received by a member of the hospital staff with the same name.</p>	<p>The Mental Health Tribunals has measures in place to limit the number of data incidents occurring. The breach was investigated and the MHC was assured that the incorrect recipient disposed of the letter and it had not been seen by any other party.</p>

MENTAL HEALTH COMMISSION

<p>6. Update on 2020 Statement on Internal Control</p> <p>The 2020 Statement on Internal Control highlighted some areas that required further work by the MHC to ensure it addressed any weaknesses in its internal control environment. These were as follows:</p> <ol style="list-style-type: none">1. Review of Risk Management Process2. Review of Resource Planning and Deployment3. Procurement Issues4. Internal Financial Control Issues5. Data Breaches	<p>The MHC took the following steps to address these issues:</p> <ol style="list-style-type: none">1. The MHC considered all three findings noted in the Review of Risk Management Process. A Risk Management Review took place in 2021, and a Business Continuity Plan has been developed.2. The MHC has addressed the two findings noted in the Review of Resource Planning and Deployment3. Two legacy procurement issues identified in 2020 have been resolved.4. Two Internal Financial Control issues identified in 2020 have been resolved.5. The MHC has taken measures to limit the number of Data Breaches.
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Signed



Dr John Hillery
Chairperson
27th June 2022

MENTAL HEALTH COMMISSION

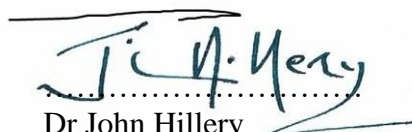
Statement of Income and Expenditure and Retained Revenue Reserves For the year ended 31 December 2021

	Notes	2021 €	2020 €
Income			
Grant income	2	20,532,690	17,093,940
Superannuation contributions	3	60,779	59,841
Other Income		800	-
		<u>20,594,269</u>	<u>17,153,781</u>
Expenditure			
Commission Costs	4	58,451	56,081
Staff Costs	5	5,604,109	5,139,903
Mental Health Tribunals	7	7,983,391	7,525,141
Upkeep and Overheads	8	767,483	778,514
General Expenses	9	4,023,233	2,481,663
Depreciation	11	95,280	89,551
		<u>18,531,947</u>	<u>16,070,853</u>
Surplus for the year before appropriations			
Transfer (to) / from capital account	15	(1,156,020)	(837,198)
Surplus for the year after appropriations			
		906,302	245,730
Balance brought forward 1 January			
		<u>646,213</u>	<u>400,483</u>
Balance carried forward at 31 December			
		<u>1,552,515</u>	<u>646,213</u>

The Statement of Income and Expenditure and Retained Revenue Reserves includes all gains and losses recognised in the year.

The Statement of Cash Flows and notes 1-20 form part of these financial statements.

On behalf of the Commission


.....
Dr John Hillery
Chairperson
27th June 2022


.....
John Farrelly
Chief Executive
27th June 2022

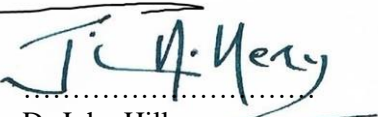
MENTAL HEALTH COMMISSION

Statement of Financial Position As at 31 December 2021

	Notes	2021 €	2020 €
Fixed Assets			
Property, Plant and Equipment	11	221,538	205,792
Assets under development	12	<u>1,949,856</u>	<u>809,582</u>
		2,171,394	1,015,374
Current assets			
Cash and cash equivalents		3,287,172	1,469,971
Receivables and prepayments	13	<u>529,891</u>	<u>482,431</u>
		3,817,063	1,952,402
Current Liabilities			
Amounts Falling Due Within 1 Year			
Payables and accruals	14	(2,264,548)	(1,306,189)
Net Current Assets		<u>1,552,515</u>	<u>646,213</u>
Total Assets less Current Liabilities		3,723,909	1,661,587
Net Assets		<u><u>3,723,909</u></u>	<u><u>1,661,587</u></u>
Reserves			
Statement of Income and Expenditure		1,552,515	646,213
Capital Account	15	<u>2,171,394</u>	<u>1,015,374</u>
		<u>3,723,909</u>	<u>1,661,587</u>

The Statement of Cash Flows and notes 1-20 form part of these financial statements.

On behalf of the Commission



Dr John Hillery
Chairperson
27th June 2022



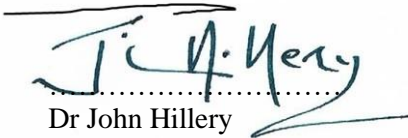
John Farrelly
Chief Executive
27th June 2022

MENTAL HEALTH COMMISSION

Statement of Cash Flows For the year ended 31 December 2021

	Note	2021 €	2020 €
Net Cash Flow from Operating Activities			
Excess income over expenditure		2,062,322	1,082,928
Depreciation charge	11	95,280	89,551
(Increase) / Decrease in receivables		(47,460)	(136,818)
Increase / (Decrease) in payables		958,359	300,884
Loss / (Gain) on disposal of fixed assets		299	-
Net Cash Inflow / (Outflow) from Operating Activities		3,068,800	1,336,545
Net Cash flows from investing activities			
Amounts allocated to fund asset additions	15	(1,251,599)	(926,749)
Disposal of assets		-	-
Net Cash Flow from Investing Activities		(1,251,599)	(929,749)
Increase / (Decrease) in Cash and Cash Equivalents		1,817,201	409,796
Cash at bank 1 January		1,469,971	1,060,175
Cash at bank 31 December		3,287,172	1,469,971

On behalf of the Commission



Dr John Hillery
Chairperson
27th June 2022



John Farrelly
Chief Executive
27th June 2022

MENTAL HEALTH COMMISSION

Notes to the financial statements For the year ended 31 December 2021

1. Accounting Policies

a) General

The Mental Health Commission was established by the Minister for Health on 5 April 2002 under Section 32 of the Mental Health Act, 2001 with a head office at Waterloo Exchange, Waterloo Road, Dublin 4.

The principal functions of the Commission, as specified in the Act, are to promote, encourage and foster the establishment and maintenance of high standards and good practices in the delivery of mental health services and to take all reasonable steps to protect the interests of persons detained in approved centres.

The Commission undertakes the following activities:

- Appointing persons to mental health tribunals to review the detention of involuntary service users and appointing a legal representative for each service user.
- Establishing and maintaining a Register of Approved Centres.
- Inspecting approved centres and other mental health services.
- Making rules regulating the use of specific treatments and interventions as specified in the Mental Health Act 2001; and
- Developing codes of practice to guide people working in mental health services.

The Assisted Decision Making (Capacity) Act 2015 was enacted on the 30 December 2015. When commenced in full, the legislation will confer additional statutory functions on the Mental Health Commission.

The Commission is also empowered to undertake such activities, as it deems appropriate to foster and promote these standard and practices.

b) Statement of Compliance

The financial statements of the Mental Health Commission for the year ended 31 December 2021 have been prepared in accordance with FRS 102 (the financial reporting standard applicable in the UK and Ireland issued by the Financial Reporting Council) with the exception of Section 28 Employee Benefits - (See Accounting Policy H).

c) Basis of Preparation

The financial statements are prepared under the historical cost convention, except as indicated below. The following accounting policies have been applied consistently in dealing with items which are considered material in relation to the Mental Health Commission's financial statements.

The financial statements are prepared in Euro which is the functional currency of the Commission.

d) Period of Account

The financial statements relate to the year ended 31 December 2021.

MENTAL HEALTH COMMISSION

Notes to the financial statements For the year ended 31 December 2021

Accounting Policies (continued)

e) Income

State Grant

Income shown in the financial statements under State Grants represents the amount received, including capital grants, in the period.

Other Income

Superannuation contributions from staff represents the actual receipts in the period.

f) Tangible Assets and Depreciation

Tangible assets are stated at their historical cost less accumulated depreciation. Depreciation is charged to the Statement of Income and Expenditure on a straight line basis, at the rates set out below, so as to write off the assets, adjusted for residual value, per their expected useful lives as follows:

IT Equipment	Straight-line over 3 years
Office Equipment	Straight-line over 5 years
Furniture and Fittings	Straight-line over 10 years
Leasehold Improvements	Straight-line over 8 years

The residual value and useful lives of fixed assets are considered annually for indicators that these may have changed. Where such indicators are present, a review will be carried out of the residual value, depreciation methods and useful lives, and these will be amended if necessary. Changes in depreciation rates arising from this review are accounted for prospectively over the remaining useful lives of the assets.

Assets Under Development

Assets under development relate to the implementation of an ICT system to support the establishment of the Decision Support Service by the MHC. Development costs of the asset are capitalised as they are incurred. Depreciation of the asset will not commence until the asset is in use.

g) Capital Account

The capital account balance represents the unamortised value of funds used for the purchase of fixed assets and assets under development.

MENTAL HEALTH COMMISSION

Notes to the financial statements For the year ended 31 December 2021

Accounting Policies (continued)

h) Employee Benefits

Short-term Benefits

Short-term benefits such as holiday pay are recognised as an expense in the year, and benefits that are accrued at year-end are included in the Payables figure in the Statement of Financial Position.

Retirement Benefits

The Commission had submitted a superannuation scheme for approval by the Department of Health regarding pension arrangements as per Section 40 of the Mental Health Act 2001. In 2017 the scheme was approved.

The Public Service (Single Scheme and Other Provisions) Act 2012 became law on 28th July 2012 and introduced the new Single Public Service Pension Scheme (“Single Scheme”) which commenced with effect from 1st January 2013. All new staff members to the Mental Health Commission, who are new entrants to the Public Sector, on or after 1st January 2013 are members of the Single Scheme.

In accordance with the direction of the Minister for Health, pensions are accounted for on a 'pay as-you go' basis. The provisions of FRS 102 'Section 28: Employee Benefits' are not applied and the liability for future pension benefits accrued in the year has not been recognised in the financial statements.

i) Receivables

Receivables are recognised at fair value, less a provision for doubtful debts. The provision for doubtful debts is a specific provision and is established when there is objective evidence that the Mental Health Commission will not be able to collect all amounts owed to it. All movements in the provision for doubtful debts are recognised in the Statement of Income and Expenditure and Retained Revenue Reserves.

j) Payables

Trade creditors are measured at invoice price, unless payment is deferred beyond normal business terms or is financed at a rate of interest that is not market rate. In this case the arrangement constitutes a financing transaction, and the financial liability is measured at the present value of future payments discounted at a market rate of interest for a similar debt instrument.

k) Contingencies

Contingent liabilities, arising as a result of past events, are not recognised when (i) it is not probable that there will be an outflow of resources or that the amount cannot be reliably measured at the reporting date or (ii) when the existence will be confirmed by the occurrence or non-occurrence of uncertain future events not wholly within the Commission's control. Contingent liabilities are disclosed in the financial statements unless the probability of an outflow or resources is remote.

Contingent assets are not recognised. Contingent assets are disclosed in the financial statements when an inflow of economic benefits is probable.

MENTAL HEALTH COMMISSION

Notes to the financial statements For the year ended 31 December 2021

Accounting Policies (continued)

l) Critical Accounting Judgements and Estimates

The preparation of the financial statements requires management to make judgements, estimates and assumptions that affect the amounts reported for assets and liabilities as at the statement of financial position date and the amounts reported for revenues and expenses during the year. However, the nature of estimation means that actual outcomes could differ from those estimates. There were no judgements required that had a significant effect on amounts recognised in the financial statements for 2021.

m) Operating Lease

Rental expenditure under operating leases is recognised in the Statement of Income and Expenditure and Retained Revenue Reserves over the life of the lease. Expenditure is recognised on a straight-line basis over the lease period, except where there are rental increases linked to the expected rate of inflation, in which case these increases are recognised when incurred. Any lease incentives received are recognised over the life of the lease.

MENTAL HEALTH COMMISSION

Notes to the financial statements For the year ended 31 December 2021

2. State Grant

	2021	2020
	€	€
Department of Health (Vote 38 Subhead E1)	15,070,000	13,800,000
Department of Health – (ICT Capital Grant)	109,029	33,940
Department of Justice (Vote 24 Subhead D10)	-	1,800,000
Department of Children, Equality, Disability, Integration and Youth (Vote 40, Subhead D9)	5,353,661	1,460,000
	<u>20,532,690</u>	<u>17,093,940</u>

3. Superannuation Contributions

By agreement with the funding Departments, the Commission retains superannuation contributions payable by staff who are members of the model superannuation scheme. This is recognised as income in the financial statements. The amounts payable in the year are recognised as income in that year. The €60,779 brought to account in 2021 is in respect of deductions made in the accounting year. The €59,841 brought to account in 2020 is in respect of deductions made in 2020.

Employee contributions under the Single Scheme are remitted to the Department of Public Expenditure and Reform.

The Public Service Pay and Pensions Act introduced an “additional superannuation contribution” payable by all staff. These salary deductions are not retained but are remitted to the Department of Health as required.

4. Commission Costs

	2021	2020
	€	€
Chairperson's stipend	11,970	11,970
Commission member fees	46,325	35,910
Commission meetings and conference costs	-	4,471
Travel and Subsistence	156	3,730
	<u>58,451</u>	<u>56,081</u>

5. Staff Costs

	2021	2020
	€	€
Salaries and wages	4,522,402	4,411,468
Agency Personnel	874,417	593,662
Travel and Subsistence – Domestic	77,566	75,227
Travel and Subsistence – Foreign	117	1,724
Staff training and CPD	129,607	57,822
	<u>5,604,109</u>	<u>5,139,903</u>
Average number of employees	77	74
WTE's at 31 December	74	78

MENTAL HEALTH COMMISSION

Notes to the financial statements

For the year ended 31 December 2021

Additional superannuation contributions were deducted in line with statutory requirements. €95,536 of additional superannuation contributions have been deducted in 2021 and paid over to the Department of Health (2020: €92,554). There were no termination payments or overtime payments made in the year. Key management personnel remuneration is disclosed in note 17 to the financial statements.

Employee benefits breakdown

Employees' short-term benefits in excess of €60,000 are categorised into the following bands:

Range of total employee benefits		Number of Employees	
From	To	2021	2020
€60,000	- €69,999	12	11
€70,000	- €79,999	4	4
€80,000	- €89,999	1	2
€90,000	- €99,999	1	-
€100,000	- €109,999	1	1
€110,000	- €119,999	-	1
€120,000	- €129,999	2	1
€130,000	- €139,999	-	-
€140,000	- €149,999	-	1
€150,000	- €159,999	1	-
€160,000	- €169,999	-	-
€170,000	- €179,999	-	-
€180,000	- €189,999	-	-
€190,000	- €199,999	-	-
€200,000	- €209,999	-	-
€210,000	- €219,999	-	-
€220,000	- €229,999	-	-
€230,000	- €239,999	-	-
€240,000	- €249,999	1	-
€250,000	- €259,999	-	1
Total		23	22

Note: For the purposes of this disclosure, short-term employee benefits in relation to services rendered during the reporting period include salary, overtime allowances and other payments on behalf of the employee but exclude employer's PRSI.

MENTAL HEALTH COMMISSION

Notes to the financial statements For the year ended 31 December 2021

6. Chief Executive's Remuneration	2021	2020
	€	€
Chief Executive's annual basic salary:		
Chief Executive	<u>156,821</u>	<u>147,266</u>
All-in cost of the Chief Executives' total remuneration (incl superannuation)	<u>156,821</u>	<u>147,266</u>

The Chief Executive's pension entitlements do not extend beyond the standard entitlement in the model public sector defined benefit superannuation scheme.

7. Mental Health Tribunals	2021	2020
	€	€
<u>Fees to Panel Members</u>		
Chairpersons' Fees	1,373,013	1,317,654
Lay Members' Fees	678,505	656,371
Consultant Psychiatrists' Fees - Commission	901,395	869,536
Consultant Psychiatrists' Fees – Independent	1,515,463	1,469,749
Legal Representatives' Fees	3,131,334	2,664,228
Legal Representatives' Fees - Circuit court appeals *	254,456	319,774
<u>Other Costs</u>		
Travel and subsistence	55,423	168,682
Other costs	66,737	53,527
Training associated with the Mental Health Act	7,065	5,620
	<u>7,983,391</u>	<u>7,525,141</u>

*These include fees paid to the patients' legal representative only.

8. Upkeep and Overheads

	2021	2020
	€	€
Repairs and maintenance	10,340	12,486
Rent, rates and service charges	753,908	764,204
Insurance	3,235	1,824
	<u>767,483</u>	<u>778,514</u>

MENTAL HEALTH COMMISSION

Notes to the financial statements For the year ended 31 December 2021

9. General Expenses	2021	2020
	€	€
Telephone	86,344	127,326
Light and heat	9,961	17,037
Printing, postage, stationery and storage	61,114	48,396
Taxi and courier	9,606	9,030
Recruitment costs	120,153	127,507
Accountancy and internal audit	174,475	165,085
Audit fees	19,400	17,600
Bank charges	4,623	1,247
IT technical support	443,303	387,103
IT development costs	113,068	287,024
Advertising to include recruitment	39,431	-
Library publications and reference material	25,240	18,092
Subscriptions	13,845	16,862
Cleaning	8,647	6,392
Pension and human resources	117,914	5,756
Regulatory review	281,670	-
Risk Management review	30,442	-
CIS Support	12,497	-
Procurement advice	720	-
Health & safety	24,464	-
Hybrid working review	61,500	-
Loss on Disposal of Fixed Assets	299	-
DSS Business Analysis Project Management	1,289,202	658,194
Legal fees general	137,124	101,356
High Court – Solicitor	270,639	144,712
High Court - Counsel	26,662	2,762
Publications expenses	19,631	6,160
Conference, room hire and seminar expenses	2,992	2,922
Hospitality expenses	6,076	2,585
Research Projects	126,127	-
Licenses	146,721	98,672
GDPR Services	-	923
Communications and media	219,255	96,414
Insurance	62,020	51,923
General office expenses	18,219	30,748
Quality Framework Review	9,749	-
ICT Advisory	30,100	28,930
Board Effectiveness Review	-	16,600
Covid-19	-	4,305
	4,023,233	2,481,663

MENTAL HEALTH COMMISSION

Notes to the financial statements For the year ended 31 December 2021

10. Decision Support Service

	2021	2020
	€	€
Income		
Department of Justice	-	1,800,000
Department of Children, Equality, Disability, Integration and Youth	5,353,661	1,460,000
	5,353,661	3,260,000
Expenditure		
<u>Pay</u>		
Salaries and Wages	<u>1,610,907</u>	<u>1,355,588</u>
	1,610,907	1,355,588
<u>Non-Pay</u>		
Telephone	25,757	38,764
Light and Heat	2,938	5,036
Printing, postage, stationery and storage	632	552
Recruitment costs	98,194	47,333
Accountancy and audit	35,395	33,224
Bank charges	1,186	35
IT technical support	62,531	60,838
IT development costs	2,712	10,675
Cleaning	2,764	1,888
Rent, rates and service charges	220,217	220,954
Subscriptions and licenses	610	30,703
Travel and subsistence	(491)	5,488
Library publications and reference material	7,096	6,616
Legal fees general	41,327	21,060
DSS Business Analysis Project Management	1,289,202	658,194
Staff training	15,510	19,264
Insurance	19,191	15,671
General office expenses	-	4,752
Depreciation	3,371	13,348
Communication & Media	97,361	21,232
Licences	79,473	-
Advertising to include recruitment	2,337	-
Loss on Disposal of Fixed Assets	299	-
	2,007,612	1,215,627
Total DSS related expenditure	3,618,519	2,571,215
Transfer (to) / from capital account	(1,139,719)	(845,537)
Surplus / (Deficit) for the year	595,423	(156,752)

MENTAL HEALTH COMMISSION

Notes to the financial statements For the year ended 31 December 2021

11. Property, Plant and Equipment

	Furniture and Fittings	Office Equipment	IT Equipment	Leasehold Improvements	Total
	€	€	€	€	€
<u>Cost</u>					
At 1 January 2021	373,206	71,684	371,581	207,456	1,023,927
Additions	13,712	4,763	92,850	-	111,325
Disposals	-	-	(38,558)	-	(38,558)
At 31 December 2021	<u>386,918</u>	<u>76,447</u>	<u>425,873</u>	<u>207,456</u>	<u>1,096,694</u>
<u>Depreciation</u>					
At 1 January 2021	306,473	63,343	301,368	146,951	818,135
Charge for the period	5,957	2,819	63,453	23,051	95,280
Disposals	-	-	(38,259)	-	(38,259)
At 31 December 2021	<u>312,430</u>	<u>66,162</u>	<u>326,562</u>	<u>170,002</u>	<u>875,156</u>
<u>Net Book Value</u>					
At 31 December 2021	<u><u>74,488</u></u>	<u><u>10,285</u></u>	<u><u>99,311</u></u>	<u><u>37,454</u></u>	<u><u>221,538</u></u>
At 31 December 2020	<u><u>66,733</u></u>	<u><u>8,341</u></u>	<u><u>70,213</u></u>	<u><u>60,505</u></u>	<u><u>205,792</u></u>

12. Assets Under Development

	2021 €
<u>Cost</u>	
As at 1 January	809,582
Additions	1,140,274
Disposals	(-)
At 31 December	<u><u>1,949,856</u></u>

The asset under development relates to the implementation of an ICT system to support the establishment of the Decision Support Service by the MHC. The funding and the associated expenditure for the system has been drawn down from the income provided under note 10 above.

Development costs of the asset are capitalised as they are incurred. Depreciation of the asset will not commence until the asset is in use.

MENTAL HEALTH COMMISSION

Notes to the financial statements For the year ended 31 December 2021

13. Receivables and Prepayments	2021	2020
	€	€
Prepayments	529,891	480,188
Receivables	-	2,243
	<u>529,891</u>	<u>482,431</u>

The fair value of debtors and prepayments approximate to their carrying amounts. All debtors are due within one year. Debtors are shown net of impairment in respect of doubtful debts.

14. Payables and Accruals	2021	2020
	€	€
Creditors	116,998	83,733
PAYE/PRSI	202,512	223,217
Accruals	1,774,185	815,801
Withholding tax	165,189	182,269
Other creditors	2,053	181
VAT	3,611	988
	<u>2,264,548</u>	<u>1,306,189</u>

Tax and social insurance are subject to the terms of the relevant legislation. Interest accrues on late payment. No interest was due at the financial year end. The terms of accruals are based on the underlying contracts. Other amounts included within creditors not covered by specific note disclosures are unsecured, interest free and repayable on demand.

MENTAL HEALTH COMMISSION

Notes to the financial statements For the year ended 31 December 2021

15. Capital Account

	2021	2020
	€	€
As at 1 st January	1,015,374	178,176
Funds allocated to acquire fixed assets	111,325	117,167
Funds allocated to development of assets	1,140,274	809,582
Amount amortised in line with asset depreciation	(95,280)	(89,551)
Amount released on disposal of assets	(299)	-
Amount released from / (to) statement of income and expenditure	<u>1,156,020</u>	<u>837,198</u>
As at 31 st December	<u><u>2,171,394</u></u>	<u><u>1,015,374</u></u>

In accordance with accounting policy, Government grants are recognised based on actual receipts. The element of these grants which are for the purchase of tangible assets and to development of assets are recognised over the useful life of the assets. There are no unfulfilled conditions or contingencies attaching to these grants.

16. Operating Lease

The Mental Health Commission has commitments in respect of a lease on office accommodation at Waterloo Exchange, Waterloo Road. This lease is held by the Office of Public Works for a period of 25 years which commenced in 1997 and will expire in May 2022. The annual rent payable is €636,300 and annual service charges payable are €109,197.

Lease Commitments

Commitments in respect of this lease including service charges are as follows:

	As at 31 December 2021	As at 31 December 2020
	€	€
Under 1 year	263,466	751,289
Between 2 – 5 years	-	263,466
Over 5 years	-	-
	<u><u>263,466</u></u>	<u><u>1,014,755</u></u>

During 2021, the OPW charged a full year of the service charges at €113,723 (2020: €114,989).

MENTAL HEALTH COMMISSION

Notes to the financial statements For the year ended 31 December 2021

17. Related Party Disclosures

Key management personnel in the Mental Health Commission consist of the Chief Executive, senior management and members of the Commission. Total compensation paid to key management personnel, including commission members' fees and expenses and total CE remuneration, amounted to €1,027,695 (2020: €948,589).

The Commission has adopted procedures in accordance with the guidelines issued by the Department of Public Expenditure and Reform in relation to the disclosure of interests by Commission Members and these procedures have been adhered to in the year. There were no transactions in the year in relation to the Commission's activities in which a Commission Member had any beneficial interest.

18. Capital Commitments

During 2020, the Commission entered a contract with a third party to provide a computerised ICT system to support the establishment of the Decision Support Service within the Commission. The total fixed price of the contract is €3,630,960 inclusive of VAT. At the 31 December 2021 €1,949,856 has been paid. The remaining expenditure will be expended in 2022.

19. Contingent Liabilities

The Commission is involved in a number of legal cases at the financial year end. The Commission is unable to reliably estimate the potential financial impact of these cases.

20. Approval of financial statements

The financial statements were approved by the Commission at its meeting on 27th June 2022.