



**mhc**  
coimisiun meabhair - shláinte  
mental health commission



**MENTAL HEALTH COMMISSION**  
**COIMISIÚN MEABHAIR-SHLÁINTE**

**FINANCIAL STATEMENTS**

For the year ended 31 December 2022

# **MENTAL HEALTH COMMISSION**

## **Financial Statements For the year ended 31 December 2022**

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# **MENTAL HEALTH COMMISSION**

## **General Information**

**For the year ended 31 December 2022**

### **Senior Leadership Team**

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

### **Members of the Commission**

#### **January – April 2022**

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  
Dr. John Cox

#### **May – December 2022**

Dr. John Hillery (Chair)  
Ms. Rowena Mulcahy  
Dr. Michael Drumm  
Dr. Margo Wrigley  
Ms. Fionn Fitzpatrick  
Dr. John Cox  
Dr Orla Healy  
Ms. Martina McGuinness  
Ms. Linda Curran  
Dr Joseph Duffy  
Ms. Catherine Cocoman  
Ms. Tammy Donaghy  
Mr. Ray Burke

### **Head Office**

Waterloo Exchange  
Waterloo Road  
Dublin 4

Web Site: [www.mhcirl.ie](http://www.mhcirl.ie)

# **MENTAL HEALTH COMMISSION**

## **Bankers**

Allied Irish Bank  
1 Lower Baggot Street  
Dublin 2

## **Auditors**

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

## **Solicitors**

Byrne Wallace LLP  
88 Harcourt Street  
Dublin 2  
-and-  
Fieldfisher LLP The Capel Building  
Mary's Abbey  
Dublin 7

## **Accountants**

Crowleys DFK  
16/17 College Green  
Dublin 2

## **Internal Auditors**

Crowe Advisory Ireland Limited  
40 Mespil Road  
Dublin 4



## 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 2022 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 2022 and of its income and expenditure for 2022 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 2022 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

30 June 2023

## Appendix to the report

### 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 governing them.

# MENTAL HEALTH COMMISSION

## Governance Statement and Commission Members' Report

### Governance

The Commission was established under the Mental Health Acts 2001-2018 (the 2001 Act). The primary 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 strategic direction set by the Commission, 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 (as amended) (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 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.

### 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 2022 annual plan and budget were approved on 19 May 2022 and 21 July 2022 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 2022, 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. Some members of the Commission were appointed for a period of five years and other for a period of three years. The Commission meet at least 10 times a year. The table below details the appointment period for current members:

<b>Commission Member</b>	<b>Role</b>	<b>Date Appointed</b>
<b>January - April</b>		
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 22/0/2019
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 12/12/2021



# MENTAL HEALTH COMMISSION

## Governance Statement and Commission Members' Report (continued)

<b>Commission Members May – December</b>	<b>Role</b>	<b>Date Appointed</b>
Dr John Hillery	Chairperson	Reappointed 05/05/2022
Rowena Mulcahy	Member	Reappointed 05/05/2022
Dr. Michael Drumm	Member	Reappointed 05/05/2022
Dr. Margo Wrigley	Member	Reappointed 05/05/2022
Fionn Fitzpatrick	Member	Reappointed 05/05/2022
Dr John Cox	Member	Reappointed 05/05/2022
Ray Burke	Member	Appointed 05/04/2022
Dr Joseph Duffly	Member	Appointed 05/04/2022
Tammy Donaghy	Member	Appointed 05/04/2022
Dr Orla Healy	Member	Appointed 05/04/2022
Martina McGuinness	Member	Appointed 05/04/2022
Linda Curran	Member	Appointed 05/04/2022
Catherine Cocoman	Member	Appointed 05/04/2022

The Commission undertook an internal evaluation of their own performance for the year in December 2022 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:

**January - April**

Patrick Lynch (Chairperson), Mairead Dolan, Ciara Lynch, Kevin Roantree, Richard O'Farrell, Tomás Murphy and Nicola Byrne

**May – December**

Dr Orla Healy (Chairperson), Ciara Lynch, Kevin Roantree, Dr John Cox, Martina McGuinness, Audrey Houlihan and Cliff O'Keeffe.

There were five meetings of the FARC in 2022. 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:

**January – April 2022**

Ned Kelly, Michael Drumm (Chairperson), Mary Donnelly, Teresa Blake. and John Hillery.

**May – December 2022**

Michael Drumm (Chairperson), Linda Curran, Ray Burke, Mary Donnelly and Teresa Blake.

There was one meeting of the Legislation Committee in 2022.

# 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 2022 is set out below including the fees and expenses received by each member:

	Commission	Finance, Audit & Risk Committee	Legislation Committee	Fees 2022 €	Expenses 2022 €
<b>Number of meetings</b>	<b>13</b>	<b>5</b>	<b>1</b>		
<b>Commission Members</b>					
John Saunders	5/5	-	-	5,985	-
Ned Kelly	5/5	-	1	-	-
Rowena Mulcahy	11/13	-	-	7,695	-
Dr. Michael Drumm	11/13	-	1	-	-
Nicola Byrne	4/5	1/1	-	-	-
Dr. Margo Wrigley	11/13	-	-	-	-
Patrick Lynch	3/5	1/1	-	-	-
Colette Nolan	5/5	-	-	3,848	-
Jack Nagle	5/5	-	-	3,848	-
Tómas Murphy	5/5	1/1	-	-	-
Dr John Hillery	11/13	-	1	9,833	-
*Fionn Fitzpatrick	6/13	-	-	1,924	-
Dr John Cox	11/13	3/4	-	7,695	1,624
Ray Burke	7/8	-	-	3,848	-
Dr Joseph Duffy	7/8	-	-	-	-
Tammy Donaghy	6/8	-	-	3,848	-
Dr Orla Healy	7/8	4/4	-	-	-
Martina McGuinness	7/8	4/4	-	-	-
Linda Curran	8/8	-	-	3,848	-
Catherine Cocoman	7/8	-	-	-	-
<b>FARC</b>					
Mairead Dolan	-	1/1	-	-	-
Richard O'Farrell	-	1/1	-	-	-
Ciara Lynch	-	5/5	-	-	-
Kevin Roantree	-	5/5	-	-	-
Audrey Houlihan	-	3/4	-	-	-
Cliff O'Keeffe	-	3/4	-	-	-
<b>Legislation Committee</b>					
Mary Donnelly	-	-	1/1	-	-
Teresa Blake	-	-	1/1	-	-
				<b>52,369</b>	<b>1,624</b>

\*This member was on long term sick leave.

Six of the Commission members did not receive a Commission fee under the One Person One Salary (OPOS) principle.

# MENTAL HEALTH COMMISSION

## Governance Statement and Commission Members' Report (continued)

### Key Personnel Changes

John Saunders, Nicola Byrne, Patrick Lynch, Colette Nolan, Ned Kelly Jack Nagle and Tomas Murphy finished on the Commission on 4 April 2022.

Ray Burke, Dr Joseph Duffy, Tammy Donaghy, Dr Orla Healy, Martina McGuinness, Linda Curran and Catherine Cocoman were appointed to the Commission on 5 April 2022.

Ned Kelly resigned from the Legislation Committee when his term on the Commission ended. Dr John Hillery resigned from the Legislation Committee in April 2022 having been appointed Chairperson of the Commission. Linda Curran and Ray Burke were appointed to the Legislation Committee on 19 May 2022.

Patrick Lynch (Chair), Nicola Byrne and Thomas Murphy resigned from the FARC when their term on the Commission ended. Dr Orla Healy was appointed Chair of the FARC on 19 May 2022. Dr John Cox, Martina McGuinness, Audrey Houlihan and Cliff O'Keefe were also appointed to the FARC on 19 May 2022. Ciara Lynch resigned from the FARC when her term ended on 24 November 2022.

### 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.

### Consultancy Costs

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

	2022	2021
	€	€
Legal advice	-	154,407
Procurement	-	720
CIS Support	3,281	12,497
Energy Assessment	4,871	-
Establishment of PMO	73,807	-
Strategic Planning	51,545	-
CAMHS Report Review	11,520	-
Social Media Strategy	45,212	-
Regulatory Review	-	281,670
Hybrid Working Review	-	61,500
Risk Management Review	-	30,442
Health and Safety	-	24,464
DSS Business Analysis Project Management	1,136,708	1,289,202
HR and Pension	32,419	117,914
ICT Advisory	-	30,100
Quality Framework Review	-	9,749
Total consultancy costs	<b>1,359,363</b>	<b>2,012,665</b>

## MENTAL HEALTH COMMISSION

### Governance Statement and Commission Members' Report (continued)

#### 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.

	2022	2021
	€	€
Legal fees - legal proceedings	548,623	551,757
Legal fees – legal aid scheme	2,890,157	3,131,334
Settlements	10,000	1,845
Total	<u>3,448,780</u>	<u>3,684,936</u>

#### Travel and Subsistence Expenditure

Travel and subsistence expenditure are categorised as follows:

	2022	2021
	€	€
Domestic		
- Commission	1,633	156
- Employees	143,331	77,566
International		
- Commission	-	-
- Employees	2,624	117
Total	<u>147,588</u>	<u>77,839</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:

	2022	2021
	€	€
Commission / Staff hospitality	322	-
Total	<u>322</u>	<u>-</u>

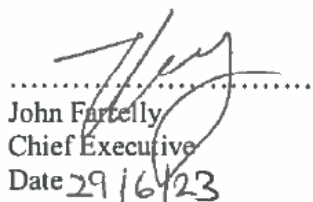
### Statement of Compliance

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 2022.



.....  
Dr John Hillery  
Chairperson

Date 29.06.23



.....  
John Fartelly  
Chief Executive

Date 29/6/23

# **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**

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 conducted in 2022, as part of a 3-year internal audit plan:-

- Contract Management
- Decision Support Service (DSS) – Procurement & Contract Management
- Review of Payroll
- ICT Security and Systems

### **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 there are no non-compliance of procurement processes or procedures to report in 2022.

### **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 2022 and this was signed off by the Commission in March 2023.

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 2022.



# MENTAL HEALTH COMMISSION

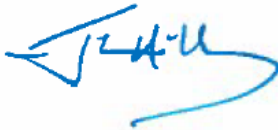
## Internal Control Issues

Internal Control Issues	Mitigating actions
<p><b>1. Review of Payroll Processes</b></p> <p>During 2022, a review of Payroll processes was conducted by the Internal Auditor.</p> <p>The Internal Auditor found that the structures and processes which MHC management had put in place in respect of Payroll, provide Satisfactory assurance.</p> <p>Three low risk issues were found,</p> <ol style="list-style-type: none"> <li>1. Potential Revision to Payroll Recoupment Policy.</li> <li>2. Formalising Existing Process on Accrual Preparation.</li> <li>3. Updates to Existing Policies.</li> </ol>	<p>In response to addressing the findings identified, the Commission took the following actions:</p> <ol style="list-style-type: none"> <li>1. To develop a policy in relation to payroll recoupment.</li> <li>2. To develop a Standard Operating Procedure (SOP) on employee benefit accruals</li> <li>3. To update policies once relevant changes to our IT System was implemented.</li> </ol>
<p><b>2. Data Breaches</b></p> <p>7 data breaches took place in 2022 - all of them were email based. Each was carefully considered.</p> <ul style="list-style-type: none"> <li>- 4 of them were due to the wrong recipient being pre-populated into the “To” or “Cc” line of the email before sending.</li> <li>- 1 was due to the sender being instructed to send an email to an incorrect receiver,</li> <li>- 1 was due to a letter being received from an external party that had an error on it which was not detected by MHC staff member before it was sent onwards to another external party.</li> <li>- 1 was due to the staff member in question being unaware of the proper procedure in sending a report.</li> </ul> <p>None of the breaches were reported to the Data Protection Commissioner either because the data disclosed was considered low risk, the recipient was a trusted receiver where an expectation of confidentiality existed or the receivers had confirmed that they had deleted the emails they received in error.</p> <p>This is in keeping with Article 55(1) of the GDPR which states:</p>	<p>In a memo dated 2 December 2022 addressed to the Financial Audit and Risk Committee the DPO recommended as follows:</p> <p>“As DPO I would recommend the disabling of the auto-populate functionality within Outlook as it would decrease the risk of external data breaches occurring.”</p> <p>Work on this has commenced with IT support company.</p>

## MENTAL HEALTH COMMISSION

<p>“In the case of a personal data breach, the controller shall without undue delay and, where feasible, not later than 72 hours after having become aware of it, notify the personal data breach to the supervisory authority...unless the personal data breach is unlikely to result in a risk to the rights and freedoms of natural persons.”</p>	
<p><b>3. Update on 2021 Statement on Internal Control</b></p> <p>The 2021 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"><li>1. Enhancements to MHC Business Continuity Plan development</li><li>2. Health &amp; Safety Committee Terms of Reference</li></ol>	<p>The MHC took the following steps to address these issues:</p> <ol style="list-style-type: none"><li>1. The Business Continuity Plan was approved in October 2022</li><li>2. Health &amp; Safety Committee Terms of Reference has been drafted.</li></ol>

Signed



.....  
Dr John Hillery

Chairperson

Date 29.06.23

# MENTAL HEALTH COMMISSION


## Statement of Income and Expenditure and Retained Revenue Reserves For the year ended 31 December 2022


	Notes	2022 €	2021 €
<b>Income</b>			
Grant Income	2	22,174,257	20,532,690
Superannuation Contributions	3	64,387	60,779
Other Income		457	800
		<u>22,239,101</u>	<u>20,594,269</u>
<b>Expenditure</b>			
Commission Costs	4	57,831	58,451
Staff Costs	5	7,499,799	5,604,109
Mental Health Tribunals	7	8,613,609	7,983,391
Upkeep and Overheads	8	754,503	767,483
General Expenses	9	4,060,345	4,023,233
Depreciation	11	127,872	95,280
		<u>21,113,959</u>	<u>18,531,947</u>
<b>Surplus for the year before appropriations</b>		<b>1,125,142</b>	<b>2,062,322</b>
Transfer (to) / from capital account	15	(765,907)	(1,156,020)
<b>Surplus for the year after appropriations</b>		<b>359,235</b>	<b>906,302</b>
Balance brought forward 1 January		1,552,515	646,213
<b>Balance carried forward at 31 December</b>		<b>1,911,750</b>	<b>1,552,515</b>

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  
 Date 29.06.23

  
 .....  
 John Farrelly  
 Chief Executive  
 Date 29/06/23

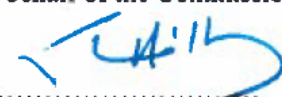
# MENTAL HEALTH COMMISSION

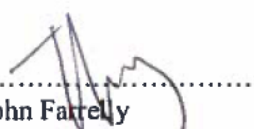
## Statement of Financial Position As at 31 December 2022

	Notes	2022 €	2021 €
<b>Fixed Assets</b>			
Property, Plant and Equipment	11	343,698	221,538
Assets under Development	12	<u>2,593,603</u>	<u>1,949,856</u>
		<b>2,937,301</b>	2,171,394
<b>Current assets</b>			
Cash and Cash Equivalents		3,212,090	3,287,172
Receivables and Prepayments	13	<u>624,325</u>	<u>529,891</u>
		<b>3,836,415</b>	3,817,063
<b>Current Liabilities</b>			
<b>Amounts Falling Due Within 1 Year</b>			
Payables and Accruals	14	(1,924,665)	(2,264,548)
<b>Net Current Assets</b>		<u>1,911,750</u>	<u>1,552,515</u>
<b>Total Assets less Current Liabilities</b>		<b>4,849,051</b>	3,723,909
<b>Net Assets</b>		<u><b>4,849,051</b></u>	<u>3,723,909</u>
<b>Reserves</b>			
Statement of Income and Expenditure		1,911,750	1,552,515
Capital Account	15	<u>2,937,301</u>	<u>2,171,394</u>
		<u><b>4,849,051</b></u>	<u>3,723,909</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  
Date 29.06.23


  
.....  
John Farrelly  
Chief Executive  
Date 29/06/23

# MENTAL HEALTH COMMISSION

## Notes to the financial statements For the year ended 31 December 2022

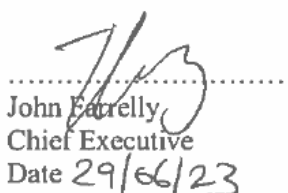
	Note	2022 €	2021 €
<b>Net Cash Flow from Operating Activities</b>			
Excess income over expenditure		<b>1,125,142</b>	2,062,322
Depreciation charge	11	<b>127,872</b>	95,280
(Increase) / Decrease in receivables		<b>(94,434)</b>	(47,460)
(Decrease) / Increase in payables		<b>(339,883)</b>	958,359
Loss / (Gain) on disposal of fixed assets		-	299
<b>Net Cash Inflow / (Outflow) from Operating Activities</b>		<b>818,697</b>	<b>3,068,800</b>
<b>Net Cash flows from investing activities</b>			
Amounts allocated to fund asset additions	15	<b>(893,779)</b>	(1,251,599)
Disposal of assets		-	-
<b>Net Cash Flow from Investing Activities</b>		<b>(893,779)</b>	<b>(1,251,599)</b>
<b>(Decrease) / Increase in Cash and Cash Equivalents</b>		<b>(75,082)</b>	1,817,201
Cash and cash equivalents 1 January		<b>3,287,172</b>	1,469,971
Cash and cash equivalents 31 December		<b>3,212,090</b>	3,287,172

On behalf of the Commission



.....  
Dr John Hillery  
Chairperson

Date 29.06.23



.....  
John Farrelly  
Chief Executive

Date 29/06/23

# **MENTAL HEALTH COMMISSION**

## **Notes to the financial statements For the year ended 31 December 2022**

### **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 and fully commenced on 26<sup>th</sup> April 2023. This legislation conferred 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 2022 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 2022.

# MENTAL HEALTH COMMISSION

## Notes to the financial statements For the year ended 31 December 2022

### 1. 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 and Retained

Revenue Reserves 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 2022

### 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 28<sup>th</sup> July 2012 and introduced the new Single Public Service Pension Scheme (“Single Scheme”) which commenced with effect from 1<sup>st</sup> January 2013. All new staff members to the Mental Health Commission, who are new entrants to the Public Sector, on or after 1<sup>st</sup> 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 2022**

### **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 2022.

#### **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 2022

### 2. State Grant

	2022	2021
	€	€
Department of Health (Vote 38 Subhead E1)	15,550,000	15,070,000
Department of Health – (ICT Capital Grant)	105,257	109,029
Department of Children, Equality, Disability, Integration and Youth (Vote 40, Subhead D9)	<u>6,519,000</u>	<u>5,353,661</u>
	<u>22,174,257</u>	<u>20,532,690</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, and these contributions are recognised as income in the financial statements. The €64,387 brought to account in 2022 is in respect of deductions made in the 2022 (2021 €60,779).

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

	2022	2021
	€	€
Chairperson's stipend	11,970	11,970
Commission member fees	38,475	46,325
Commission meetings and conference costs	5,753	-
Travel and Subsistence	<u>1,633</u>	<u>156</u>
	<u>57,831</u>	<u>58,451</u>

### 5. Staff Costs

	2022	2021
	€	€
Salaries and wages	6,238,911	4,522,402
Agency Personnel	985,579	874,417
Travel and Subsistence – Domestic	143,331	77,566
Travel and Subsistence – Foreign	2,624	117
Staff training and CPD	<u>129,354</u>	<u>129,607</u>
	<u>7,499,799</u>	<u>5,604,109</u>
Average number of employees	109	77
WTE's at 31 December	104	74

## MENTAL HEALTH COMMISSION

### Notes to the financial statements

#### For the year ended 31 December 2022

Additional superannuation contributions were deducted in line with statutory requirements. €106,570 of additional superannuation contributions have been deducted in 2022 and paid over to the Department of Health (2021: €95,536). 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	2022	2021
€60,000	- €69,999	5	12
€70,000	- €79,999	7	4
€80,000	- €89,999	3	1
€90,000	- €99,999	2	1
€100,000	- €109,999	1	1
€110,000	- €119,999	-	-
€120,000	- €129,999	-	2
€130,000	- €139,999	2	-
€140,000	- €149,999	-	-
€150,000	- €159,999	-	1
€160,000	- €169,999	-	-
€170,000	- €179,999	1	-
€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	-	-
€260,000	- €269,999	-	-
€270,000	- €279,999	1	-
<b>Total</b>		<b>22</b>	<b>23</b>

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 2022

<b>6. Chief Executive's Remuneration</b>	<b>2022</b>	<b>2021</b>
	€	€
Chief Executive's annual basic salary:		
Chief Executive	<u>170,303</u>	<u>156,821</u>
All-in cost of the Chief Executives' total remuneration (incl superannuation)	<u>170,303</u>	<u>156,821</u>

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

<b>7. Mental Health Tribunals</b>	<b>2022</b>	<b>2021</b>
	€	€
<u>Fees to Panel Members</u>		
Chairpersons' Fees	1,399,852	1,373,013
Lay Members' Fees	703,673	678,505
Consultant Psychiatrists' Fees - Commission	927,691	901,395
Consultant Psychiatrists' Fees – Independent	1,621,001	1,515,463
Legal Representatives' Fees	2,890,157	3,131,334
Legal Representatives' Fees - Circuit court appeals *	318,880	254,456
<u>Other Costs</u>		
Travel and subsistence	311,093	55,423
Recruitment and new panel costs	372,127	-
Other costs	69,135	66,737
Training associated with the Mental Health Act	-	7,065
	<u>8,613,609</u>	<u>7,983,391</u>

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

<b>8. Upkeep and Overheads</b>	<b>2022</b>	<b>2021</b>
	€	€
Repairs and maintenance	13,882	10,340
Rent, rates and service charges	736,803	753,908
Insurance	3,818	3,235
	<u>754,503</u>	<u>767,483</u>

# MENTAL HEALTH COMMISSION

## Notes to the financial statements For the year ended 31 December 2022

<b>9. General Expenses</b>	<b>2022</b>	<b>2021</b>
	<b>€</b>	<b>€</b>
<u>Administrative Costs</u>		
Telephone	117,727	86,344
Light and heat	21,318	9,961
Printing, postage, stationery and storage	68,822	61,114
Taxi and courier	12,944	9,606
Recruitment costs	339,087	120,153
Accountancy and internal audit	143,454	174,475
Audit fees	21,417	19,400
Bank charges	12,214	4,623
Advertising to include recruitment	172,825	39,431
Library publications and reference material	21,806	25,240
Subscriptions	11,203	13,845
Cleaning	10,031	8,647
Pension and human resources	32,419	117,914
Energy Assessment	4,871	-
Establishment of PMO	73,807	-
Strategic Planning	51,545	-
CAMHS Report Review	11,520	-
Social Media Strategy	45,212	-
Regulatory / Risk Management / Quality Framework reviews	-	321,861
Health & safety / Hybrid working review	-	85,964
Loss on Disposal of Fixed Assets	-	299
DSS Business Analysis Project Management	1,136,708	1,289,202
Publications expenses	3,620	19,631
Conference, room hire and seminar expenses	22,660	2,992
Hospitality expenses	322	6,076
Research Projects	83,263	126,127
Communications and media	189,936	219,255
Insurance	66,640	62,020
General office expenses	49,015	18,219
Total Administrative Costs	<b>2,724,386</b>	<b>2,842,399</b>
<u>Legal Costs</u>		
Legal fees general	82,751	137,124
High or District Court – Solicitor	28,198	270,639
High or District Court - Counsel	128,383	26,662
Court Appeals	71,015	-
Total Legal Costs	<b>310,347</b>	<b>434,425</b>

## MENTAL HEALTH COMMISSION

### Notes to the financial statements

For the year ended 31 December 2022

	<b>2022</b>	<b>2021</b>
<u>ICT Costs</u>	€	€
IT technical support	<b>464,779</b>	443,303
IT development costs	<b>138,704</b>	113,068
CIS Support	<b>3,281</b>	12,497
Licenses	<b>305,850</b>	146,721
DSS ICT Project Licence and Project Management	<b>112,998</b>	-
ICT Advisory and procurement advice	-	30,820
	<hr/> <b>1,025,612</b>	<hr/> 746,409
Total General Expenses	<hr/> <b>4,060,345</b>	<hr/> 4,023,233

# MENTAL HEALTH COMMISSION

## Notes to the financial statements For the year ended 31 December 2022

### 10. Decision Support Service

	2022	2021
	€	€
<b>Income</b>		
Department of Children, Equality, Disability, Integration and Youth	6,519,000	5,353,661
	<b>6,519,000</b>	<b>5,353,661</b>
<b>Expenditure</b>		
<b><u>Pay</u></b>		
Salaries and Wages	<u>2,953,529</u>	<u>1,610,907</u>
	<b>2,953,529</b>	<b>1,610,907</b>
<b><u>Non-Pay</u></b>		
<b><u>Administrative Costs</u></b>		
Telephone	55,523	25,757
Light and Heat	10,659	2,938
Printing, postage, stationery and storage	1,732	632
Recruitment costs	170,919	98,194
Accountancy and audit	36,272	35,395
Bank charges	4,669	1,186
Cleaning	5,111	2,764
Rent, rates and service charges	375,774	220,217
Travel and subsistence	542	(491)
Library publications and reference material	10,903	7,096
Social Media Strategy	38,646	-
Staff training	19,978	15,510
Insurance	36,074	19,191
General office expenses	4,532	-
Depreciation	5,285	3,371
Communication & Media	92,733	97,361
Advertising to include recruitment	132,854	2,337
Loss on Disposal of Fixed Assets	-	299
	<u>1,002,206</u>	<u>531,757</u>
<b><u>Legal Costs</u></b>		
Legal fees general	86,279	41,327
<b><u>ICT Costs</u></b>		
IT technical support	101,791	62,531
IT development costs	4,702	2,712
Subscriptions and licenses	114	610
DSS Business Analysis Project Management	1,249,706	1,289,202
Licences	225,142	79,473
	<u>1,581,455</u>	<u>1,434,528</u>
Total Non Pay Expenditure	<b>2,669,940</b>	<b>2,007,612</b>
Total DSS related expenditure	5,623,469	3,618,519
Transfer (to) / from capital account	(638,760)	(1,139,719)
<b>Surplus / (Deficit) for the year</b>	<b>256,771</b>	<b>595,423</b>

## MENTAL HEALTH COMMISSION

### Notes to the financial statements For the year ended 31 December 2022

#### 11. Property, Plant and Equipment

	Furniture and Fittings	Office Equipment	IT Equipment	Leasehold Improvements	Total
	€	€	€	€	€
<b><u>Cost</u></b>					
At 1 January 2022	386,918	76,447	425,873	207,456	1,096,694
Additions	8,425	353	241,251	-	250,032
Disposals	-	(15,576)	(29,978)	-	(45,554)
At 31 December 2022	<u>395,343</u>	<u>61,224</u>	<u>637,149</u>	<u>207,456</u>	<u>1,301,172</u>
<b><u>Depreciation</u></b>					
At 1 January 2022	312,430	66,162	326,562	170,002	875,156
Charge for the period	11,906	3,260	89,655	23,051	127,872
Disposals	-	(15,576)	(29,978)	-	(45,554)
At 31 December 2022	<u>324,336</u>	<u>53,846</u>	<u>386,239</u>	<u>193,053</u>	<u>957,474</u>
<b><u>Net Book Value</u></b>					
At 31 December 2022	<u><u>71,007</u></u>	<u><u>7,378</u></u>	<u><u>250,910</u></u>	<u><u>14,403</u></u>	<u><u>343,698</u></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>

#### 12. Assets Under Development

	2022	2021
	€	€
<b><u>Cost</u></b>		
As at 1 January	1,949,856	809,582
Additions	643,747	1,140,274
Disposals	(-)	(-)
At 31 December	<u><u>2,593,603</u></u>	<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 2022

<b>13. Receivables and Prepayments</b>	<b>2022</b>	<b>2021</b>
	€	€
Prepayments	<u>624,325</u>	<u>529,891</u>
	<u><b>624,325</b></u>	<u><b>529,891</b></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.

<b>14. Payables and Accruals</b>	<b>2022</b>	<b>2021</b>
	€	€
Creditors	<b>180,468</b>	116,998
PAYE/PRSI	<b>361,471</b>	202,512
Accruals	<b>1,219,694</b>	1,774,185
Withholding tax	<b>138,053</b>	165,189
Other creditors	<b>314</b>	2,053
VAT	<b>24,665</b>	3,611
	<u><b>1,924,665</b></u>	<u><b>2,264,548</b></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.

<b>15. Capital Account</b>	<b>2022</b>	<b>2021</b>
	€	€
As at 1 <sup>st</sup> January	<b>2,171,394</b>	1,015,374
Funds allocated to acquire fixed assets	<b>250,032</b>	111,325
Funds allocated to development of assets	<b>643,747</b>	1,140,274
Amount amortised in line with asset depreciation	<b>(127,872)</b>	(95,280)
Amount released on disposal of assets	-	(299)
Amount released from / (to) statement of income and expenditure	<b>765,907</b>	1,156,020
As at 31 <sup>st</sup> December	<u><b>2,937,301</b></u>	<u><b>2,171,394</b></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.

# MENTAL HEALTH COMMISSION

## Notes to the financial statements For the year ended 31 December 2022

### 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 expired in May 2022. The OPW is in ongoing talks with the landlord to agree a new lease. The annual rent payable is €580,050, annual car parking charges payable are €56,250 and annual service charges payable are €115,000.

#### Lease Commitments

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

	As at 31 December 2022	As at 31 December 2021
	€	€
Under 1 year	-	263,466
Between 2 – 5 years	-	-
Over 5 years	-	-
	<u>-</u>	<u>263,466</u>

During 2022, the OPW charged a full year of the service charges at €100,503 (2021: €113,723).

### 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 €1,119,269 (2021: €1,027,695).

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 2022 €2,593,603 has been paid. The remaining expenditure will be expended in 2023.

### 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.

# **MENTAL HEALTH COMMISSION**

## **Notes to the financial statements For the year ended 31 December 2022**

### **20. Approval of financial statements**

The financial statements were approved by the Commission at its meeting on 29<sup>th</sup> June 2023.