



COIMISIÚN MEABHAIR-SHLÁINTE

MENTAL HEALTH COMMISSION

FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2008

MENTAL HEALTH COMMISSION

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MENTAL HEALTH COMMISSION

GENERAL INFORMATION

Senior Management Team: Ms Brid Clarke - Chief Executive Officer
Dr Pat Devitt - Inspector of Mental Health Services
Dr Gerry Cunningham - Director - Mental Health Tribunals
Ms Patricia Gilheaney - Director - Standards and Quality Assurance
Mr Ray Mooney - Director - Corporate Services
Ms Rosemary Smyth - Director - Training and Development

Members of the Commission: Dr Edmond O'Dea, Principal Clinical Psychologist (Chair)
Mr Brendan Byrne, Director of Nursing, Mental Health Services, Carlow/Kilkenny
Ms Emile Daly, Barrister
Ms Marie Devine, Bodywhys
Dr Brendan Doody, Consultant Psychiatrist, Dublin
Mr Pdraig Heverin, Clinical Nurse Manager II, Mayo Mental Health Services
Dr Martina Kelly, GP, Cork
Dr Mary Keys, Lecturer, NUI Galway
Dr Eamonn Moloney, Consultant Psychiatrist, Cork
Mr John Redican, Irish Advocacy Network
Mr Martin Rogan, HSE
Mr John Saunders, Schizophrenia Ireland
Ms Vicki Somers, Principal Social Worker, HSE

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Main Bankers: Allied Irish Bank
52 Upper Baggot St
Dublin 4

Auditor: The Comptroller and Auditor General
Dublin Castle
Dublin 2

Solicitor: Arthur Cox
Earlsfort Centre
Earlsfort Terrace
Dublin 2

Accountants: Crowleys DFK
16/17 College Green
Dublin 2

MENTAL HEALTH COMMISSION

Report of the Comptroller and Auditor General for presentation to the Houses of the Oireachtas

I have audited the financial statements of the Mental Health Commission for the year ended 31 December 2008 under Section 47 of the Mental Health Act, 2001.

The financial statements, which have been prepared under the accounting policies set out therein, comprise the Statement of Accounting Policies, the Income and Expenditure Account, the Capital Income and Expenditure Account, the Balance Sheet, the Cash Flow Statement and the related notes.

Respective Responsibilities of the Commission and the Comptroller and Auditor General

The Mental Health Commission is responsible for preparing the financial statements in accordance with the Mental Health Act, 2001 and for ensuring the regularity of transactions. The Commission prepares the financial statements in accordance with Generally Accepted Accounting Practice in Ireland as modified by the directions of the Minister for Health and Children in relation to accounting for superannuation costs. The accounting responsibilities of the Members of the Commission are set out in the Statement of Responsibilities of the Commission.

My responsibility is to audit the financial statements in accordance with relevant legal and regulatory requirements and International Standards on Auditing (UK and Ireland).

I report my opinion as to whether the financial statements give a true and fair view, in accordance with Generally Accepted Accounting Practice in Ireland. I also report whether in my opinion proper books of account have been kept. In addition, I state whether the financial statements are in agreement with the books of account.

I report any material instance where moneys have not been applied for the purposes intended or where the transactions do not conform to the authorities governing them.

I also report if I have not obtained all the information and explanations necessary for the purposes of my audit.

I review whether the Statement on Internal Financial Control reflects the Commission's compliance with the Code of Practice for the Governance of State Bodies and report any material instance where it does not do so, or if the statement is misleading or inconsistent with other information of which I am aware from my audit of the financial statements. I am not required to consider whether the Statement on Internal Financial Control covers all financial risks and controls, or to form an opinion on the effectiveness of the risk and control procedures.

Basis of Audit Opinion

In the exercise of my function as Comptroller and Auditor General, I conducted my audit of the financial statements in accordance with International Standards on Auditing (UK and Ireland)

issued by the Auditing Practices Board and by reference to the special considerations which attach to State bodies in relation to their management and operation. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures and regularity of the financial transactions included in the financial statements. It also includes an assessment of the significant estimates and judgments made in the preparation of the financial statements, and of whether the accounting policies are appropriate to the Commission's circumstances, consistently applied and adequately disclosed.

I planned and performed my audit so as to obtain all the information and explanations that I considered necessary in order to provide me with sufficient evidence to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or other irregularity or error. In forming my opinion I also evaluated the overall adequacy of the presentation of information in the financial statements.

Emphasis of Matter – Non-effective Expenditure

Without qualifying my opinion, I draw attention to note 10 of the financial statements which outlines the circumstances surrounding non-effective expenditure of €102,850 incurred by the Commission in the year ended 31 December 2008.

Opinion

In compliance with the directions of the Minister for Health and Children, the Board recognises the costs of superannuation entitlements only as they become payable. This basis of accounting does not comply with Financial Reporting Standard 17 which requires such costs to be recognised in the year the entitlements are earned.

Except for the non-recognition of the Board's superannuation costs and liabilities in accordance with Financial Reporting Standard 17, the financial statements give a true and fair view, in accordance with Generally Accepted Accounting Practice in Ireland, of the state of the Board's affairs at 31 December 2008 and of its income and expenditure for the year then ended.

In my opinion, proper books of account have been kept by the Board. The financial statements are in agreement with the books of account.



John Buckley
Comptroller and Auditor General

30 September 2009

MENTAL HEALTH COMMISSION

STATEMENT OF RESPONSIBILITIES OF THE COMMISSION

The Commission is required by the Mental Health Act 2001 (section 47) to prepare financial statements for each financial year, which give a true and fair view of the state of affairs of the Commission and of its income and expenditure for that period.

in preparing those financial statements, the Commission is required to:

- select suitable accounting policies and apply them consistently
- make judgments and estimates that are reasonable and prudent
- disclose and explain any material departures from applicable accounting standards, and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Commission will continue in operation

The Commission is responsible for the keeping of proper books of account which disclose with reasonable accuracy at any time its financial position and which enable it to ensure that the financial statements comply with section 47 of the Mental Health Act, 2001. The Commission is also responsible for safeguarding its assets and for taking reasonable steps for the prevention and detection of fraud and other irregularities.

On behalf of the Commission:

Chairperson: Edy W. O'Da.

Board member: John Redican

Date: 30/9/09

MENTAL HEALTH COMMISSION

**STATEMENT ON THE SYSTEM OF
INTERNAL FINANCIAL CONTROLS**

Responsibility for system of Internal Financial Control

As Chairperson, I acknowledge the Commission is responsible for the system of internal financial control. The Commission has delegated responsibility to the Chief Executive Officer to deal with management and operational issues and to report to the Commission regularly. 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.
- * An audit committee of the Commission has been established. Its terms of reference include ensuring systems that guarantee internal financial control.
- * Management responsibilities are clearly assigned, with corresponding accountability.

Risk Management

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.

Control Mechanism

The system of internal financial 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:

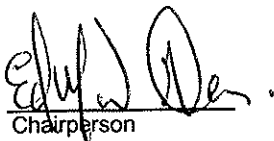
- *Appropriate budgeting system with an annual budget which is reviewed regularly by senior management.
- *Regular review by senior management of periodic and annual financial reports which indicate financial performance against forecasts.
- *Regular senior management team meetings.

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.

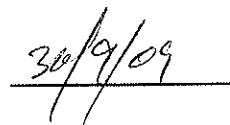
MHC has an internal audit function which reports to the Audit Committee of the Commission. The internal audit function operates in accordance with the Code of Practice for the Governance of State Bodies. The Commission's monitoring and review of effectiveness of the systems of internal financial control is informed by the work of the internal auditor and the Audit Committee.

The Commission carried out a review of the systems of internal financial control in 2008.

Signed


Chairperson

Date



MENTAL HEALTH COMMISSION

STATEMENT OF ACCOUNTING POLICIES

The following accounting policies have been applied consistently in dealing with items which are considered material in relation to the financial statements.

Basis of Preparation

The financial statements are prepared under the accrual method of accounting and in accordance with generally accepted accounting principles under the historical cost convention, except as indicated below. The Financial Statements are in the form approved by the Minister for Health and Children.

Financial Reporting Standards recommended by the recognised accountancy bodies are adopted, as they become operative but subject to directions issued by the Minister of Health and Children.

Period of Account

The financial statements relate to the year ended 31 December 2008.

State Grant

Income shown in the financial statements under State Grants represents the actual receipts in the period.

Other income shown in the financial statements under Other Income represents the actual receipts in the period.

Tangible Assets and Depreciation

Tangible Assets are stated at their historical cost less accumulated depreciation. Depreciation is charged to the Income and Expenditure Account 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	33.33%
Office Equipment	20%
Furniture and Fittings	10%

Pension

The Commission has submitted a superannuation scheme for approval by the Department of Health and Children regarding pension arrangements as per Section 40 of the Mental Health Act 2001.

In accordance with directions of the Minister of Health and Children, no provision has been made in these financial statements in respect of the staff superannuation entitlements earned during the year.

Pending finalisation of the Commission's Scheme, the Model Superannuation Scheme is being operated on an administrative basis. Staff contributions have been retained by the Commission and have not been recognised as income.

Capital Account

The Capital Account represents the unamortised value of funds used for the purchase of fixed assets.

MENTAL HEALTH COMMISSION
REVENUE INCOME AND EXPENDITURE ACCOUNT
FOR THE YEAR ENDED 31 DECEMBER 2008

	Note	2008 €	2007 €
Income			
Grant income	2	16,600,000	17,380,000
Other income	3	164,107	-
Amortisation of Capital Grant		149,930	179,464
Allocation to capital		(26,361)	(396,360)
		16,887,676	17,163,104
Expenditure			
Commission Costs	4	58,532	50,786
Staff Costs	5	3,011,725	2,374,477
Mental Health Tribunals	6	9,755,372	9,840,944
Upkeep and Overheads	7	620,540	559,610
General Expenses	8	3,923,016	3,585,303
Once off grants to Health Agencies		-	146,600
Depreciation	9	149,930	179,464
		17,519,115	16,737,184
(Deficit)/surplus for the year		(631,439)	425,920
Surplus carried forward from 1 January		591,803	165,883
Balance as at 31 December		(39,636)	591,803

The Statement of Accounting Policies on page 6 and notes 1 - 21 form part of these financial statements.

The Commission has no recognised gains or losses other than those dealt with in the Revenue and the Capital Statements of the Income and Expenditure Account.


 Chairperson


 Board Member

30/9/09
 Date


MENTAL HEALTH COMMISSION

**CAPITAL INCOME AND EXPENDITURE ACCOUNT
FOR THE YEAR ENDED 31 DECEMBER 2008**

	Note	2008	2007
		€	€
Transfer of capital grant from Revenue Income and Expenditure Account		26,361	396,360
Capital expenditure	11	(26,361)	(396,360)
Surplus/(Deficit) for the year		-	-
Surplus/(Deficit) carried forward 1 January		-	-
Balance as at 31 December		<u>-</u>	<u>-</u>

The Statement of Accounting Policies on page 6 and notes 1 - 21 form part of these financial statements.

The Commission has no recognised gains or losses other than those dealt with in the Revenue and the Capital Statements of the Income and Expenditure Account.



Chairperson



Board Member


20/9/09

Date

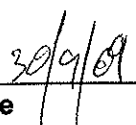
MENTAL HEALTH COMMISSION
BALANCE SHEET AS AT 31 DECEMBER 2008

	Note	2008 €	2007 €
Tangible Assets	11	342,445	466,014
Current Assets			
Cash on hand and at bank		1,356,491	2,610,133
Debtors and prepayments	12	<u>83,940</u>	<u>86,419</u>
		1,440,431	2,696,552
Current Liabilities			
Amounts Falling Due Within 1 Year			
Creditors	13	<u>1,480,067</u>	<u>2,104,749</u>
Net Current Assets		(39,636)	591,803
Net Assets		<u><u>302,809</u></u>	<u><u>1,057,817</u></u>
Financed by:			
Capitalisation Account	14	342,445	466,014
Income and Expenditure Account		(39,636)	591,803
		<u><u>302,809</u></u>	<u><u>1,057,817</u></u>

The Statement of Accounting Policies on page 6 and notes 1 - 21 form part of these financial statements.


 Chairperson


 Board Member

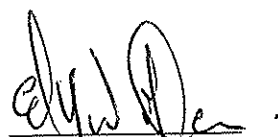

 Date


MENTAL HEALTH COMMISSION


**CASH FLOW STATEMENT
AS AT 31 DECEMBER 2008**

	Note	2008 €	2007 €
Reconciliation of (deficit)/surplus to net cash (outflow)/inflow from operating activities			
(Deficit)/Surplus for the year		(631,439)	425,920
Transfer to/(from) Capital Account to fund the purchase of Fixed Assets	11	26,361	396,360
Depreciation charge	11	149,930	179,464
Allocation to capital	14	(26,361)	(396,360)
Decrease/(Increase) in debtors		2,479	(46,037)
(Decrease)/Increase in creditors		(624,682)	762,845
Net Cash (Outflow)/ Inflow from Operating Activities		<u>(1,103,712)</u>	<u>1,322,192</u>
 <u>CASH FLOW STATEMENT</u>			
Net Cash Flow from Operating Activities		(1,103,712)	1,322,192
Return on Investments and Servicing of Finance			
Capital Expenditure	14	(149,930)	(179,464)
Management of Liquid Resources		-	-
Financing		-	-
(Decrease)/Increase in Cash		<u>(1,253,642)</u>	<u>1,142,728</u>
Reconciliation of Net Cash Flows to Movement in Net Funds			
(Decrease)/Increase in Cash in the year		<u>(1,253,642)</u>	<u>1,142,728</u>
Changes in Net Funds resulting from cash flow			
Net Funds at beginning of the year		2,610,133	1,467,405
Net Funds at the end of the year		<u>1,356,491</u>	<u>2,610,133</u>

The Statement of Accounting Policies on page 6 and notes 1 - 21 form part of these financial statements.


Chairperson


Board Member


Date

MENTAL HEALTH COMMISSION

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2008

1 The Commission was established as a statutory agency by the Minister for Health and Children in 2002. The Statutory Body, Mental Health Commission was established as a legal entity by Statutory Instrument which commenced Section 32 of The Mental Health Act, 2001. The effective date of establishment was 5th April 2002.

	2008	2007	
	€	€	
2 State Grant			
Department of Health and Children	16,600,000	17,380,000	
	<u>16,600,000</u>	<u>17,380,000</u>	
3 Other Income			
Refund of monies paid to Department of Social and Family Affairs in relation to social welfare contributions.			
4 Commission Costs			
Commission meetings	8,035	14,122	
Travel and subsistence	50,497	36,664	
	<u>58,532</u>	<u>50,786</u>	
5 Staff Costs			
Salaries and wages	2,644,052	1,927,924	Note 20
Superannuation costs	131,118	116,033	
Travel and subsistence	65,150	70,642	
Recruitment costs	103,115	240,270	
Staff training and CPD	68,290	19,608	
	<u>3,011,725</u>	<u>2,374,477</u>	
6 Mental Health Tribunals			
Fees	7,382,185	7,760,614	Note 20
Travel and subsistence	780,828	692,442	
Salaried Consultant Psychiatrists	1,406,555	1,267,669	Note 20
Other costs	185,804	120,219	
	<u>9,755,372</u>	<u>9,840,944</u>	
7 Upkeep and Overheads			
Repairs and maintenance	31,280	65,498	
Rent and rates and service charges	586,384	493,140	
Insurance	2,876	972	
	<u>620,540</u>	<u>559,610</u>	
8 General Expenses			
Telephone	73,711	57,476	
Light and heat	20,958	14,630	
Printing postage and stationery	153,701	176,998	
Courier	66,276	221,803	
Accountancy and internal audit	184,129	142,283	
Audit fees	9,600	9,600	
Bank charges	903	773	
IT technical support	284,499	219,546	
IT development costs	189,317	250,683	
Advertising	80,383	36,928	
Library publications and reference material	13,155	5,464	
Subscriptions	31,809	13,658	
Cleaning	34,829	25,440	
Consultancy fees	281,293	225,300	
Legal fees	1,219,385	1,007,009	
Donations	4,000	4,100	
Publications expenses	194,838	190,489	
Conference and seminar expenses (Note 10)	279,937	233,909	
Research projects	365,729	178,334	
Licences	63,207	77,697	
Communications and media	108,276	45,293	
Training associated with Mental Health Act	181,556	311,458	
Insurance	10,012	10,108	
Room hire and catering	-	101,568	
Office rental	48,087	-	
General office expenses	23,426	24,756	
	<u>3,923,016</u>	<u>3,585,303</u>	

MENTAL HEALTH COMMISSION

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2008**

	2008	2007
	€	€
9 Depreciation		
Furniture and fittings depreciation	38,197	38,134
Office equipment depreciation	16,140	40,285
IT equipment depreciation	95,593	101,045
	<u>149,930</u>	<u>179,464</u>

10 Conference and seminar expenses

During 2008 the Mental Health Commission, following a public tendering process, entered into a contract with an event organiser/supplier in relation to a training symposium for mental health tribunal panel members to be held in November 2008. The total projected cost of this contract was €177,760.

Included in conference and seminar expenses is an amount of €102,850. This relates to two prepayments made to the event organiser/supplier for this training symposium including payments to be passed to third parties.

In October 2008, emergency legislation was introduced, one of the consequences of which was the need to convene a large number of mental health tribunals in November 2008.

In the circumstances, the symposium was cancelled by the Mental Health Commission in October 2008 since the services of those who were to attend i.e. mental health tribunal members and legal representatives were required as a matter of urgency to deal with the tribunals. No further payments were made to the event organiser/supplier in respect of this contract. The company ceased trading in November 2008. This payment is deemed to be unrecoverable.

	Furniture & Fittings €	Office Equipment €	IT Equipment €	Total €
11 Tangible Assets				
Cost				
Balance as at 1 January 2008	381,341	201,426	501,909	1,084,676
Additions in year	632	325	25,404	26,361
Balance at 31 December 2008	<u>381,973</u>	<u>201,751</u>	<u>527,313</u>	<u>1,111,037</u>
Accumulated Depreciation				
Accumulated Depreciation	102,385	155,096	361,181	618,662
Charge for the year	38,197	16,140	95,593	149,930
Balance at 31 December 2008	<u>140,582</u>	<u>171,236</u>	<u>456,774</u>	<u>768,592</u>
Net Book Value				
Balance at 31 December 2008	<u>241,391</u>	<u>30,515</u>	<u>70,539</u>	<u>342,445</u>
Balance at 31 December 2007	<u>278,956</u>	<u>46,330</u>	<u>140,728</u>	<u>466,014</u>

	2008	2007
	€	€
12 Debtors and Prepayments		
Prepayments	83,940	86,419
	<u>83,940</u>	<u>86,419</u>

	2008	2007
	€	€
13 Creditors and Accruals		
Creditors	791	444
Paye/Prsi	333,684	308,809
Superannuation deductions retained	364,262	231,784
Accruals	555,186	1,383,767
Withholding tax	224,758	176,099
Other creditors	1,366	3,846
	<u>1,480,067</u>	<u>2,104,749</u>

MENTAL HEALTH COMMISSION

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2008**

	2008	2007
	€	€
14 Capital Account		
As at 1st January	466,014	249,118
Transfer from/to Capital Income and Expenditure Account		
Funds allocated to acquire fixed assets	26,361	396,360
Amount amortised in line with asset depreciation	(149,930)	(179,464)
Balance as at 31 December	<u><u>342,445</u></u>	<u><u>466,014</u></u>

15 Operating Lease

The Mental Health Commission has commitments in respect of leases on office accommodation at St. Martin's House, Waterloo Road. These are held by way of the following:

- (i) A 25 year lease which commenced in 1997
- (ii) A 15 year lease which commenced in 2007.

The annual cost of the lease including service charges is €586,384 (2007 €484,571)

16 Board Member Interests

The Commission adopted procedures in accordance with the guidelines issued by the Department of Finance 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 Board's activities in which a Commission Member had any beneficial interest.

17 Capital Commitments

There were no capital commitments at 31 December 2008.

18 Contingent Liabilities

Proceedings may be issued against the Mental Health Commission arising from an administrative matter relating to a Mental Health Tribunal.

19 Average Number of Employees

The average number of employees during the year was 39 (2007 :39).

20 Comparative Figures

The IT system functionality upgrade, undertaken in 2008, allowed for more specific cost identification related to Mental Health Tribunals, and as a results of this, it was deemed necessary to re-classify the 2007 costs to allow a valid comparison with the Mental Health Tribunals costs in 2008.

	As previously reported 2007	As re-classified 2007
	€	€
<u>Revenue Income and Expenditure Account</u>		
<u>Staff costs</u>		
Salaries and wages	2,419,519	1,927,924
<u>Mental Health Tribunals</u>		
Fees	7,901,770	7,760,614
Salaried Consultant Psychiatrists	634,918	1,267,669

21 Approval of Financial Statements

The financial statements were approved by the Commission at its meeting on

30/9/09