



MENTAL HEALTH COMMISSION
COIMISIÚN MEABHAIR-SHLÁINTE

FINANCIAL STATEMENTS

For the year ended 31 December 2019

MENTAL HEALTH COMMISSION

Financial Statements For the year ended 31 December 2019

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MENTAL HEALTH COMMISSION

General Information

For the year ended 31 December 2019

Senior Management Team

Mr John Farrelly – Chief Executive
Ms Rosemary Smyth – Director – Standards and Quality Assurance/Training and Development
Dr. Susan Finnerty – Inspector of Mental Health Services
Ms Orla Keane – Head of Legal Affairs / Division Lead for the MHT
Ms Áine Flynn – Director - Decision Support Service
Mr Simon Murtagh – Chief Operations Officer (Appointed 11/03/2019)

Members of the Commission

Mr John Saunders (Chair)
Dr. Jim Lucey (Resigned 21/11/2019)
Mr. Ned Kelly
Ms. Rowena Mulcahy
Dr. Michael Drumm
Ms. Nicola Byrne
Dr. Margo Wrigley
Mr. Patrick Lynch
Dr. Francis Xavier Flanagan
Ms. Colette Nolan
Ms. Niamh Cahill (Resigned 05/06/2019)
Mr. Aaron Galbraith
Mr. Tomas Murphy (Appointed 22/01/2019)
Dr. Jack Nagle (Appointed 17/12/2019)

Head Office

Waterloo Exchange
Waterloo Road
Dublin 4

Web Site: www.mhcirl.ie

Bankers

Allied Irish Bank
52 Upper Baggot Street
Dublin 4

Auditors

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

Solicitor

Arthur Cox
Earlsfort Centre,
Earlsfort Terrace
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 2019 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 2019 and of its income and expenditure for 2019 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 2019 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 2020

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 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.

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.

I also 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.

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 Management Team (SMT). The CE and the SMT 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 retirement 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 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.

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.

MENTAL HEALTH COMMISSION

Governance Statement and Commission Members' Report (continued)

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 2019 plan and budget were approved on 21 March 2019.

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 2019, 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
Dr. Xavier Flanagan	Member	Reappointed 05/04/2017
Colette Nolan	Member	Reappointed 05/04/2017
Aaron Galbraith	Member	Appointed 05/04/2017
Tomas Murphy	Member	Appointed 22/01/2019
Dr. Jack Nagle	Member	Appointed 17/12/2019

The Commission undertook an external evaluation of their own performance for the year in December 2019 as guided by the Code of Practice for the Governance of State Bodies (2016).

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Governance Statement and Commission Members' Report (continued)

The Commission has established two committees, as follows:

1. Finance, Audit and Risk Committee: comprises four Commission members and three 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), Jim Lucey (resigned 21/11/2019), Mairead Dolan, Moling Ryan, Ciara Lynch, Tomas Murphy (Appointed 04/03/19) and Nicola Byrne. There were four meetings of the FARC in 2019. 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), Ned Kelly, Michael Drumm, Mary Donnelly and Teresa Blake (Appointed 17/10/19). There were six meetings of the Legislation Committee in 2019.

Schedule of Attendance, Fees and Expenses

A schedule of attendance at the Commission and Committee meetings for 2019 is set out below including the fees and expenses received by each member:

	Commission	Finance, Audit & Risk Committee	Legislation Committee	Fees 2019 €	Expenses 2019 €
Number of meetings	11	4	6		
John Saunders	8	-	-	11,969	3,324
Jim Lucey	4/9	2/3	-	-	-
Ned Kelly	11	-	5	-	3,325
Rowena Mulcahy	9	-	6	7,695	-
Dr. Michael Drumm	11	-	6	-	-
Nicola Byrne	9	3	-	-	-
Dr. Margo Wrigley	8	-	-	7,695	-
Patrick Lynch	9	4	-	-	-
Dr. Xavier Flanagan	7	-	-	7,695	-
Colette Nolan	8	-	-	7,695	-
Niamh Cahill	4/5	-	-	3,339	-
Aaron Galbraith	5	-	-	7,695	-
Tomas Murphy	9/10	4	-	-	3,346
Ciara Lynch	-	4	-	-	-
Moling Ryan	-	3	-	-	-
Mary Donnelly	-	-	6	-	223
Mairead Dolan	-	4	-	-	-
Teresa Blake	-	-	6	-	-
				53,783	10,218

Six of the Commission members did not receive a Commission fee under the One Person One Salary (OPOS) principle. Commission meeting and conference costs of €4,928 (2018: €5,940) were incurred during the year.

MENTAL HEALTH COMMISSION

Governance Statement and Commission Members' Report (continued)

Key Personnel Changes

The Commission appointed Simon Murtagh to the role of Chief Operations Officer. Mr. Murtagh took up this position on 11 March 2019.

Two Commission members resigned during the year; Niamh Cahill resigned on 5 June 2019, while Dr. Jim Lucey resigned on 21 November 2019. Tomas Murphy was appointed to the Commission 22 January 2019 and Dr. Jack Nagle was appointed on 17 December 2019.

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.

	2019	2018
	€	€
Legal advice	89,390	144,310
Procurement	6,150	-
Leadership Program	42,743	-
Strategic Plan, business plan and performance metrics	7,486	60,268
Collaborative work with HIQA	13,389	99,626
DSS Business Analysis Project Management	861,157	779,839
Total consultancy costs	<u>1,020,315</u>	<u>1,084,043</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.

	2019	2018
	€	€
Legal fees - legal proceedings	627,127	652,489
Legal fees – legal aid scheme	2,946,684	2,941,642
Settlements	24,395	-
Total	<u>3,598,206</u>	<u>3,594,131</u>

In addition to the settlements fees paid by the Mental Health Commission, Irish Public Bodies Mutual Insurances Limited, as insurers of the Mental Health Commission, paid an additional €26,254 as a settlement for a High Court Case.

MENTAL HEALTH COMMISSION

Governance Statement and Commission Members' Report (continued)

Travel and Subsistence Expenditure

Travel and subsistence expenditure are categorised as follows:

	2019	2018
	€	€
Domestic		
- Commission	10,218	10,486
- Employees	126,671	118,016
International		
- Commission	-	-
- Employees	9,056	4,350
Total	<u>145,945</u>	<u>132,852</u>

Hospitality Expenditure

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

	2019	2018
	€	€
Commission / Staff hospitality	649	707
Total	<u>649</u>	<u>707</u>

No client hospitality related expenditure was incurred in 2019 (2018: 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. Except for a small number of provisions that are a work in progress at year end, the Commission is materially compliant with the Code for 2019.



.....
John Saunders
Chairperson
30th June 2020



.....
John Farrelly
Chief Executive
30th June 2020

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)

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 management team meetings, of which matters surrounding financial reviews, internal audits, ICT matters and any external work surrounding the controls of the Commission, are discussed.
- The Commission has an internal audit function which reports to the Finance, Audit and Risk 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 control is informed by the work of the outsourced internal auditor and the Finance, Audit and Risk Committee.

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, other than the control issues outlined in the internal control issues on page 14, have been established.

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 carried out in 2019, as part of a 3 year internal audit plan:-

- Review of Internal Financial Controls
- Review of IT Governance
- Review of Regulatory Processes – Compliance, Monitoring & Enforcement
- Review of Compliance with the Code of Practice for the Governance of State Bodies 2016

MENTAL HEALTH COMMISSION

Statement on Internal Control (continued)

Procurement

I confirm that Mental Health Commission has procedures in place to ensure compliance with current procurement rules and guidelines. Matters arising regarding controls over procurement are highlighted below.

Review of Effectiveness

The Finance, Audit and Risk Committee (FARC) has 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 2019 and this was signed off by the Commission in 2020.

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 2019.

Internal Control Issues

Internal Control Issues	Mitigating actions
<p>1. Review of Compliance with the Code of Practice</p> <p>During 2019, a review of compliance with the Code of Practice for the Governance of State Bodies was conducted by the Internal Auditor.</p> <p>Five issues of importance were identified during the audit, as follows:</p> <ol style="list-style-type: none">1. Enhancements are required to the Commission's Corporate Governance Manual.2. The term of membership of Commission members all expire simultaneously.3. There are no formal processes to conduct a skills assessment of the Commission.4. Self-assessment evaluations were not performed by the Legislation Committee in 2018.5. Enhancements are required to comply with the procedures for procurement, as set out in the provisions of Sections 8.16 and 8.20 of the Code of Practice.	<p>In response to addressing the issues identified, the Commission took the following actions:</p> <ol style="list-style-type: none">1. A revised Corporate Governance Manual was updated and signed off by the Commission in October 2019.2. The Commission brought this issue to the attention of the Minister for Health for his consideration. It is proposed that this matter be dealt with in the submission on the Heads of Bill for the Mental Health Act 2001.3. A skills assessment is done as part of the annual assessment of the commission and the committees and any issues identified forms part of a work plan. The FARC identified that a member with IT skills would be beneficial to the Committee.4. Self-assessments have been carried out by all sub-committees of the Commission in 2019.5. A process has been established to ensure that all expenditure that will exceed €25,000 will be subject to a tendering process.

MENTAL HEALTH COMMISSION

	<p>An annual corporate procurement plan is in development and will support the Business Plan 2020.</p>
<p>2. IT Governance</p> <p>During 2019, a review of the IT Governance of the Commission was conducted by the Internal Auditor.</p> <p>Three issues of significance and two issues of importance were identified during the audit, as follows:</p> <ol style="list-style-type: none"> 1. There is a lack of defined IT governance and oversight structures in place in the MHC. (Significant) There is a lack of strategic IT experience and skills in the MHC. 2. There is currently no documented ICT strategy in place in the MHC. (Significant) 3. There is a lack of governance and oversight of the decision to migrate MHC IT infrastructure. (Significant) 4. The roles, responsibilities, and accountabilities of the MHC IT department have not been agreed and documented. (Important) 5. There were enhancements needed to the KPIs used to monitor third party performance. (Important) 	<p>In response to addressing the issues identified, the Commission took the following actions:</p> <ol style="list-style-type: none"> 1. In line with the recommendation, the CEO, in conjunction with the COO, will review the roles and responsibilities of the COO in relation to IT. An ICT sub-committee of the Senior Management Team (SMT), chaired by the CEO, has been established to oversee the implementation of a new IT strategy in the MHC. This group also has external IT expertise on it. 2. The SMT has commissioned an independent third party to provide a report setting out the options available to the Commission to replace the current ageing IT infrastructure. The ICT sub-committee will decide a strategy based on the advice contained in the report. 3. This will be addressed by a new ICT Strategy referred to above overseen by the SMT. 4. In conjunction with the ICT Strategy, a new IT support contract will be tendered for which will establish the roles, responsibilities and accountabilities for the IT department. 5. The SMT will consider in future tenders the most appropriate KPI's that need to be included when monitoring and managing third party providers.
<p>3. Procurement Issues</p> <p>The following legacy procurement issues were identified in 2019:</p> <ol style="list-style-type: none"> 1. Expenditure on legal costs of ca. €284k, based on a contract originally entered into in 2012. 2. Expenditure in relation to agency staff of ca. €129k for which there was no formal tendering process dating back to 2017. 3. Expenditure on printing and photocopying services of ca. €44k for which there was no formal tendering process dating back to 2016. 	<p>Responses to the legacy procurement issues are addressed below:</p> <ol style="list-style-type: none"> 1. A new tender for the supply of legal services in relation to Circuit Court Appeals is planned for Q2 2020. 2. This expenditure relates to the implementation of the CIS IT system which is a multi-annual project and is due for completion in Q2 2020. 3. This expenditure relates to an existing supplier of ICT support services provided under an existing contract.

MENTAL HEALTH COMMISSION

<p>4. Expenditure on telephony services of ca. €36k, based on a contract entered into in 2006.</p>	<p>4. A new tender for telephony services is due to be completed in 2020 in conjunction with the establishment of a new DSS service in the MHC.</p>
<p>4. Update on 2018 Statement on Internal Control</p> <p>The 2018 Statement on Internal Control highlighted some areas that required further work by the MHC to ensure it addressed any weaknesses in its internal control. These are as follows:</p> <ol style="list-style-type: none"> 1. Data Protection Control & Breaches 2. Contract/Third Party Contract Management Processes 3. Regulatory Processes - Inspections 4. Procurement Issues 	<p>The MHC took the following steps to address these issues:</p> <ol style="list-style-type: none"> 1. The MHC addressed all issues noted by the three data protection breaches in 2018. There were no data breaches reported to the Data Protection Commissioner in 2019. 2. A Procurement & Contracts Manager was hired in Feb 2019 and a new policy on Management of Suppliers and Contractors was drafted and approved by the Commission. A contract log was developed to highlight contracts that were due to expire and needed to be tendered for in 2019. 3. All recommendations highlighted by internal audit in 2018 were addressed in 2019. 4. Some legacy procurement issues remain as highlighted above. However, the MHC has addressed the weaknesses in procurement by appointing a Procurement & Contracts Manager in Feb 2019. A Review of all contracts and tenders took place to ensure that, in future, full compliance with public procurement guidelines and directives were in operation in the MHC. A new Procurement policy was drafted and approved by the Commission in 2019.

Signed



.....
 John Saunders
 Chairperson
 30th June 2020

MENTAL HEALTH COMMISSION

Statement of Income and Expenditure and Retained Revenue Reserves For the year ended 31 December 2019

	Notes	2019 €	2018 €
Income			
Grant income	2	17,125,959	16,285,000
Superannuation contributions	3	61,315	49,774
		<u>17,187,274</u>	<u>16,334,774</u>
Expenditure			
Commission Costs	4	68,929	77,268
Staff Costs	5	4,590,606	3,329,567
Mental Health Tribunals	7	8,566,782	8,650,662
Upkeep and Overheads	8	784,998	792,131
General Expenses	9	2,796,901	3,357,585
Depreciation	11	89,818	81,202
		<u>16,898,034</u>	<u>16,288,415</u>
Surplus for the year before appropriations		289,240	46,359
Transfer from capital account	14	37,836	37,775
Surplus for the year after appropriations		327,076	84,134
Balance brought forward 1 January		73,407	(10,727)
Balance carried forward at 31 December		400,483	73,407

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



.....
John Saunders
Chairperson
30th June 2020



.....
John Farrelly
Chief Executive
30th June 2020

MENTAL HEALTH COMMISSION

Statement of Financial Position As at 31 December 2019

	Notes	2019 €	2018 €
Non-Current Assets			
Property, Plant and Equipment	11	178,176	216,012
Current Assets			
Cash and cash equivalents		1,060,175	855,647
Receivables and prepayments	12	<u>345,613</u>	<u>361,790</u>
		1,405,788	1,217,437
Current Liabilities			
Amounts Falling Due Within 1 Year			
Payables and accruals	13	(1,005,305)	(1,144,030)
Net Current Assets		<u>400,483</u>	<u>73,407</u>
Total Assets less current liabilities		578,659	289,419
Net Assets		<u>578,659</u>	<u>289,419</u>
Reserves			
Statement of Income and Expenditure		400,483	73,407
Capital Account	14	<u>178,176</u>	<u>216,012</u>
		<u>578,659</u>	<u>289,419</u>

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

On behalf of the Commission



.....
John Saunders
Chairperson
30th June 2020



.....
John Farrelly
Chief Executive
30th June 2020

MENTAL HEALTH COMMISSION

Statement of Cash Flows For the year ended 31 December 2019

	Note	2019 €	2018 €
Net Cash Flow from Operating Activities			
Excess income over expenditure		289,240	46,359
Depreciation charge	11	89,818	81,202
Decrease / (increase) in receivables		16,177	(81,262)
(Decrease) / Increase in payables		(138,725)	122,314
Loss / (Gain) on disposal of fixed assets		-	2,426
Net Cash Inflow / (Outflow) from Operating Activities		<u>256,510</u>	<u>171,039</u>
Net Cash flows from investing activities			
Amounts allocated to fund asset additions	14	(51,982)	(45,852)
Disposal of assets		-	-
Net Cash Flow from Investing Activities		<u>(51,982)</u>	<u>(45,852)</u>
Increase / (Decrease) in Cash and Cash Equivalents		204,528	125,187
Cash at bank 1 January		<u>855,647</u>	<u>730,460</u>
Cash at bank 31 December		<u>1,060,175</u>	<u>855,647</u>

On behalf of the Commission



.....
John Saunders
Chairperson
30th June 2020



.....
John Farrelly
Chief Executive
30th June 2020

MENTAL HEALTH COMMISSION

Notes to the financial statements For the year ended 31 December 2019

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 2019 have been prepared in accordance with FRS 102 (the financial reporting standard applicable in the UK and Ireland issued by the Financial Reporting Council, as promulgated by Chartered Accountants Ireland) 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 2019.

MENTAL HEALTH COMMISSION

Notes to the financial statements For the year ended 31 December 2019

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.

g) Capital Account

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

MENTAL HEALTH COMMISSION

Notes to the financial statements For the year ended 31 December 2019

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

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 of 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 2019

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 2019.

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 2019

2. State Grant

	2019	2018
	€	€
Department of Health (Vote 38 Subhead E1)	14,400,000	14,174,000
Department of Health – (ICT Capital Grant)	25,959	-
Department of Justice and Equality (Vote 24 Subhead D10)	2,700,000	2,111,000
	<u>17,125,959</u>	<u>16,285,000</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 €61,315 brought to account in 2019 is in respect of deductions made in the accounting year. The €49,774 brought to account in 2018 is in respect of deductions made in 2018.

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 and the Department of Justice and Equality as required.

4. Commission Costs

	2019	2018
	€	€
Chairperson's stipend	11,969	11,971
Commission member fees	41,814	48,871
Commission meetings and conference costs	4,928	5,940
Travel and Subsistence	10,218	10,486
	<u>68,929</u>	<u>77,268</u>

5. Staff Costs

	2019	2018
	€	€
Salaries and wages	3,917,909	2,429,933
Agency Personnel	452,158	748,042
Travel and Subsistence – Domestic	126,671	118,016
Travel and Subsistence – Foreign	9,056	4,350
Staff training and CPD	84,812	29,226
	<u>4,590,606</u>	<u>3,329,567</u>
Average number of employees	70	45
WTE's at 31 December	67	49

MENTAL HEALTH COMMISSION

Notes to the financial statements For the year ended 31 December 2019

Additional superannuation contributions were deducted in line with statutory requirements. €117,340 of additional superannuation deductions have been deducted in 2019 and paid over to the Department of Health (2018 pension related deduction: €95,156). There were no termination payments or overtime payments made in the year. Key management personnel remuneration is disclosed in note 16 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	2019	2018
€60,000	- €69,999	11	4
€70,000	- €79,999	1	1
€80,000	- €89,999	1	-
€90,000	- €99,999	-	-
€100,000	- €109,999	2	1
€110,000	- €119,999	-	1
€120,000	- €129,999	1	1
€130,000	- €139,999	1	-
€140,000	- €149,999	-	-
€150,000	- €159,999	-	-
€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	-	1
€230,000	- €239,999	-	-
€240,000	- €249,999	1	-
Total		18	9

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 2019

6. Chief Executive's Remuneration	2019	2018
	€	€
Chief Executive's annual basic salary:		
Outgoing CE (Resigned 16.04.2018)	-	49,527
Interim CE Acting up Allowance (17.04.2018-29.10.2018)	-	70,935
CE (Appointed 29.10.2018)	137,540	22,931
All-in cost of the Chief Executives' total remuneration (incl superannuation)	<u>137,540</u>	<u>143,393</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	2019	2018
	€	€
<u>Fees to Panel Members</u>		
Chairpersons' Fees	1,349,635	1,413,492
Lay Members' Fees	684,808	713,263
Consultant Psychiatrists' Fees - Commission	929,676	934,801
Consultant Psychiatrists' Fees – Independent	1,499,052	1,656,952
Legal Representatives' Fees	2,946,684	2,941,642
Legal Representatives' Fees - Circuit court appeals *	327,084	342,121
<u>Other Costs</u>		
Travel and subsistence	578,261	613,764
Other costs	67,431	32,227
Costs Associated with Recruitment of New Panels	171,149	-
Training associated with the Mental Health Act	13,002	2,400
	<u>8,566,782</u>	<u>8,650,662</u>

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

8. Upkeep and Overheads

	2019	2018
	€	€
Repairs and maintenance	17,482	24,717
Rent, rates and service charges	764,256	765,979
Insurance	3,260	1,435
	<u>784,998</u>	<u>792,131</u>

MENTAL HEALTH COMMISSION

Notes to the financial statements For the year ended 31 December 2019

9. General Expenses	2019	2018
	€	€
Telephone	78,566	39,567
Light and heat	26,379	27,571
Printing, postage, stationary and storage	104,664	116,536
Taxi and courier	2,736	1,937
Recruitment costs	155,729	571,003
Accountancy and internal audit	165,900	386,962
Audit fees	18,000	13,000
Bank charges	1,407	1,389
IT technical support	314,015	256,835
IT development costs	245,580	150,153
Advertising to include recruitment	12,482	87,992
Library publications and reference material	23,181	23,935
Subscriptions	15,459	12,211
Cleaning	17,706	15,920
Pension and human resources	5,572	31,027
Strategic plan, business plan and performance metrics	7,486	60,268
Collaborative work with HIQA	13,389	99,626
Leadership Programme	42,743	-
Procurement Evaluation	6,150	-
DSS Business Analysis Project Management	861,157	779,839
Legal fees general	89,390	144,310
High Court – Solicitor	275,412	296,376
High Court - Counsel	24,631	13,992
Publications expenses	4,772	2,566
Conference, room hire and seminar expenses	24,449	16,789
Hospitality expenses	649	708
Health & Safety	6,855	-
Licenses	74,297	77,917
GDPR Services	18,512	12,964
Communications and media	58,880	65,021
Insurance	40,578	31,873
General office expenses	25,031	16,872
Quality Framework Review	35,145	-
Loss on disposal of fixed assets	-	2,426
	2,796,901	3,357,585

MENTAL HEALTH COMMISSION

Notes to the financial statements For the year ended 31 December 2019

10. Decision Support Service

	2019	2018
	€	€
Income		
Department of Justice and Equality	<u>2,700,000</u>	<u>2,111,000</u>
	2,700,000	2,111,000
Expenditure		
Pay		
Salaries and Wages	<u>1,164,319</u>	<u>463,375</u>
	1,164,319	463,375
Non-Pay		
Telephone	21,917	11,689
Light and Heat	7,468	7,518
Printing, postage, stationary and storage	6,150	5,435
Taxi and courier	409	169
Recruitment costs	43,331	147,931
Accountancy and internal audit	31,888	55,098
Bank charges	45	32
IT technical support	95,211	66,669
IT development costs	3,875	2,211
Cleaning	5,207	4,682
Rent, rates and service charges	220,969	219,627
Licenses	22,571	13,739
Travel and subsistence	7,231	3,375
Catering	689	250
Library publications and reference material	5,817	-
Legal fees general	8,848	3,830
DSS Business Analysis Project Management	861,156	779,839
Conference and Seminar expenses	15,437	1,072
Staff training	33,573	1,650
Insurance	13,315	9,374
General office expenses	2,154	598
Office IT equipment depreciation	3,488	225
Repairs and Maintenance	2,139	-
Health & Safety	892	-
GDPR Services	11,070	-
Strategic Plan	2,202	-
Procurement Evaluation	6,150	-
Leadership Programme	38,618	-
Communications & Media	24,014	17,062
	<u>1,495,834</u>	<u>1,352,075</u>
Total DSS related expenditure	<u>2,660,153</u>	<u>1,815,450</u>
Surplus for the year	<u>39,847</u>	<u>295,550</u>

MENTAL HEALTH COMMISSION

Notes to the financial statements For the year ended 31 December 2019

11. Property, Plant and Equipment

	Furniture and Fittings	Office Equipment	IT Equipment	Leasehold Improvements	Total
	€	€	€	€	€
<u>Cost</u>					
At 1 January 2019	330,778	60,473	551,417	207,456	1,150,124
Additions	-	4,675	47,307	-	51,982
Disposals	(6,244)	-	(6,165)	-	(12,408)
At 31 December 2019	<u>324,534</u>	<u>65,148</u>	<u>592,560</u>	<u>207,456</u>	<u>1,189,698</u>
<u>Depreciation</u>					
At 1 January 2019	292,316	60,033	480,914	100,849	934,112
Charge for the period	5,356	1,008	60,403	23,051	89,818
Disposals	(6,243)	-	(6,165)	-	(12,408)
At 31 December 2019	<u>291,429</u>	<u>61,041</u>	<u>535,152</u>	<u>123,900</u>	<u>1,011,522</u>
<u>Net Book Value</u>					
At 31 December 2019	<u>33,105</u>	<u>4,107</u>	<u>57,408</u>	<u>83,556</u>	<u>178,176</u>
At 31 December 2018	<u>38,462</u>	<u>440</u>	<u>70,503</u>	<u>106,607</u>	<u>216,012</u>

MENTAL HEALTH COMMISSION

Notes to the financial statements For the year ended 31 December 2019

12. Receivables and Prepayments	2019	2018
	€	€
Prepayments	<u>345,613</u>	<u>361,790</u>
	<u>345,613</u>	<u>361,790</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.

13. Payables and Accruals	2019	2018
	€	€
Creditors	222,747	222,468
PAYE/PRSI	234,330	214,556
Accruals	392,405	506,360
Withholding tax	134,864	197,512
Other creditors	19,607	-
VAT	<u>1,352</u>	<u>3,134</u>
	<u>1,005,305</u>	<u>1,144,030</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.

14. Capital Account	2019	2018
	€	€
As at 1 st January	216,012	253,787
Funds allocated to acquire fixed assets	51,982	45,852
Amount amortised in line with asset depreciation	(89,818)	(81,202)
Amount released on disposal of assets	-	(2,425)
Amount released (to)/ from statement of income and expenditure	<u>(37,836)</u>	<u>(37,775)</u>
As at 31 st December	<u>178,176</u>	<u>216,012</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 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 2019

15. 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. The annual rent payable is €636,300 and annual service charges payable are €115,042.

Lease Commitments

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

	As at 31 December 2019 €	As at 31 December 2018 €
Under 1 year	751,342	745,497
Between 2 – 5 years	1,016,885	1,754,471
Over 5 years	-	-
	<u>1,768,227</u>	<u>2,499,968</u>

During 2019, the OPW charged a full year of the increased service charges at €115,042 (2018: €109,197). The prior year lease figures have been adjusted to reflect the lease expiring in May 2022 rather than December 2022.

16. 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 €861,319 (2018: €749,600).

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.

17. Capital Commitments

There were no capital commitments at 31st December 2019.

18. Contingent Liabilities

The Commission are involved in a number of legal cases at the financial year end. The potential cost of one of these cases amounts to €5,416 at 31st December 2019. The Commission is unable to reliably estimate the potential financial impact of the other cases.

MENTAL HEALTH COMMISSION

Notes to the financial statements For the year ended 31 December 2019

19. Events after the Reporting Date

There are no events between the reporting date and the date of approval of these financial statements for issue that require adjustment to the financial statements.

The Commission recognises that the Covid-19 pandemic is a significant event which has occurred since the reporting date. The Commission, in conjunction with management, is taking the situation seriously and is monitoring the situation on an ongoing basis. The business continues to operate with measures in place to protect all MHC staff, suppliers and service users. Staff are working remotely and services continue to be provided. To date, the operations and most of the entity's activities are being maintained while adjusting to the different way in which the business is being delivered. While the MHC is unable to reliably predict the impact of Covid-19 on its cash flows, the performance and operations of the MHC are being monitored closely and regular cash flow forecasts are provided to the Commission and to the Department of Health.

Going concern - The Commission considers that, as the entity provides a public service that is funded by moneys provided by the Exchequer, via the Department of Health, it is appropriate to prepare these financial statements on a going concern basis.

20. Approval of financial statements

The financial statements were approved by the Commission at its meeting on 30th June 2020.