

MENTAL HEALTH COMMISSION  
FOR  
NORTHERN IRELAND

ANNUAL REPORT

AND

ACCOUNTS

2008-2009

## **MANAGEMENT REVIEW**

### Introduction

This is the final Management Review of the Mental Health Commission for Northern Ireland. In June 2008 The Minister for Health Mr Michael McGimpsey MLA determined that the functions of the Commission should transfer to the Regulation and Quality Improvement Authority (RQIA) and that the Commission would cease to exist at midnight on the 31<sup>st</sup> March 2009. Consequently the substantial part of 2008/09 has been specifically focused on planning for a smooth and seamless transfer of functions at 1<sup>st</sup> April 2009. The decision by the Minister was welcomed in that it removed any uncertainty about the future of the Commission and decisions could be taken which would assist in the planning for the transfer. However, while the direction of the move was known a number of operational problems still remained and required to be managed to ensure the Commission was able to meet its statutory duty as set out in the Mental Health Order (Northern Ireland) 1986. These issues are reported as follows:-

#### 1) Secretariat Staffing

The Secretariat is staffed by seconded Civil Servants. Staff numbers were initially strengthened by the appointment of the EO11 grades in early 2008. This allowed the Commission to plan to reduce the number of agency staff required to support the Secretariat in its work. However the loss of a Staff Officer to promotion in April 2008 was initially a significant setback. Attempts to secure a replacement via the DHSSPS were unsuccessful. Subsequently agreement was reached with RQIA that the Project Manager for the Transfer of Functions would be seconded to the Commission from May 2008. This was a unique partnership approach which helped to stabilise the Secretariat and provide a direct link between both organisations at the administrative level. This partnership was further strengthened by the recruitment of three administrative staff to RQIA who were seconded to the Commission from late October 2008. These officers worked solely on issues linked to the Transfer of Functions, such as Detentions, Guardianship, Part II/IV appointments and Serious Adverse Incidents. They became the direct continuity link between the Commission and RQIA.

Arrangements were initiated in January 2009 to plan for the redeployment of the Secretariat back to the main Civil Service. Details were circulated and provisional release dates agreed with the Personnel Directorate, DHSSPS. Staff relocation was phased over a three week period in March 2009.

## 2) Commissioners

Three new members joined the Commission in April 2008. Their arrival was essential to ensure that the Commission could continue to deliver its functions as identified in the Mental Health Order (NI) 1986, and in particular its visiting programme and review of Drug Treatment Plans. One new 'Contracted' psychiatry member was also recruited directly by the Commission to assist in the visits to facilities.

The Minister also invited those members whose term of appointment was due to finish at 31st March 2008 to extend their appointment up to 31st March 2009. All the Commissioners affected agreed to the extension.

## 3) Finance

The financial position of the Commission is set out in the Accounts for the year 2008/09. However a number of issues impact on the reported accounts and are noted in this Management Review:

a.) The need for agency staff decreased in 08/09 compared with last year but none the less the use of such staff did constitute additional cost to the Commission for the first six months of the financial year. The provision of secretarial support was crucial to the Chief Executive and Secretariat and remained an on-going cost throughout the year.

b.) The Chief Executive's salary (currently on secondment from the HPSS) was higher than the funded post.

c.) The Commission incurred a number of additional costs which were directly related to the operational arrangements required to ensure a seamless transfer of functions to RQIA. These costs included:-

- (i) £24 K to meet the salary cost of three RQIA administrative staff seconded to the Commission from October 2008.
- (ii) 'Acting' allowance for two Secretariat staff to undertake duties at EOII grade to prepare for the Transfer of Functions.
- (iii) Additional Commissioner sessions required for
  - Joint planning seminars with RQIA
  - Joint visits with RQIA
  - Specialist inputs
  - Consultative meetings
- (iv) Transfer of files from Mental Health Commission to specialist storage.

- (v) The purchase of additional accounting support from Deloitte between October 2008 and March 2009.

d.) As Accounting Officer, the Chief Executive advised the Commission's Sponsor Branch at the DHSPPS of the need to fund the transitional costs linked to the transfer of functions. The Department fully supported the arrangements.

e.) In 2007/08 the Final Accounts reported the capitalisation of £50k required to refurbish the accommodation in Lombard House. The capitalisation was to be written off over a 3 year period and consequently will appear as a write off cost in the Final Accounts.

#### 4) Accommodation

The lease for Lombard House is for a period of three years from 11th December 2007. A break in the lease after two years was negotiated by VLA and consequently a liability for nine months rent will transfer to RQIA.

In conjunction with VLA the Commission sought to find a new tenant for the lease. Another Government Department agreed to take over the lease and arrangements were made to initiate the legal proceedings to complete the transfer. Unfortunately in February 2009 this arrangement fell through and at the time of writing no new tenant has been found. Despite this set back efforts will continue to find a new tenant but until then the lease remains a liability and will transfer to RQIA.

#### 5) Joint Working with RQIA

A significant part of the Commission's work in 08/09 has been to ensure that everything that needs to be in place to facilitate a seamless transfer of the functions to RQIA has been done. Consequently a number of joint working initiatives between Mental Health Commission and RQIA have taken place.

##### (i) Due Diligence Review.

This review of the Mental Health Commission was requested by RQIA and carried out by Deloitte. Commissioners and Secretariat were interviewed and provided access to the Commission's papers across a range of topics including Governance Arrangements, Liabilities, Budget Build, Litigation, Complaints and Office Practice. The report is referred to in more detail under the Statement of Internal Control.

##### (ii) Joint Visits.

Both Organisations shared their Visiting Programmes for 08/09 and Commissioners joined RQIA visiting teams and vice versa. This proved a most useful, helpful and informative piece of work. In February 2009, the Commission organised a major unannounced visit to Knockbracken Health Care Park (Belfast Trust) and were joined by the Chairman, Board members and Officers from RQIA.

(iii) Agreed Model for the Transfer of Functions.

RQIA provided Commissioners with a proposed model of work for RQIA to address and meet the requirements of the transferred functions of the Mental Health Order (NI) 1986. Several internal meetings were held with Commissioners and a number of relevant amendments made to the proposed model. The Commission formally agreed the model at its Quarterly meeting in September 2008.

(iv) Meetings with Trusts/Service Users and Carers/Advocates.

(a) Between November and December 2008 the Commission met, in conjunction with RQIA, Senior Staff from the five Health & Social Care Trusts to outline the transfer arrangements and to ensure staff in the Trusts were familiar with the plans to provide a continuing service from April 2009 onwards. The meetings also provided an extremely useful sounding board for Trusts concerns. A number of helpful suggestions were made including the provision of training for Trust staff in respect of the operation of the Mental Health Order (NI) 1986.

(b) In June 2008 meetings commenced across the Province with Service Users and Carers about the Transfer of Functions. Although these meetings had a different focus than with Trusts, the exchange of views has proved extremely helpful and has led to a number of communication initiatives which will be introduced by RQIA post-April 09. A separate event was held for Advocates in late February 09 and similarly proved most beneficial.

6.) Patient Monies

This matter was highlighted in last year's Annual Report. In 2007/08 the Commission reinstated the requirement on Trusts to provide details of those detained patients who had accounts managed on their behalf. All Trusts provided this information by September 2008. Each Trust was subsequently requested to provide a statement on the audit process for these accounts and to advise whether or not any adverse audit comment had been made in respect of these accounts in 2006/07. All Trusts reported that the accounts were in order. As part of the financial reporting process for 2007/08 the Northern Ireland Audit Office and the Commissions Internal Auditors were kept fully informed of this work. The Commission formally authorised each Trust to manage these specific reported accounts in October 2008. This arrangement will transfer to RQIA from 1<sup>st</sup> April 2009 and all necessary steps have been taken to enable this authorisation process to continue.

7.) Account N.I.

In October 2008 the payments system for the whole of the Northern Ireland Civil Service transferred to Accounts N.I. This required a major change to the procedures for processing invoices, authorisations and payment schedules. Inevitably some problems occurred with the introduction of this new arrangement. A number of payments for the Commission's invoices between October and December 08 were delayed during the period and consequently the Commission's target of processing

95% of all payments within 5 working days and subsequent payment within 28 days was not met. At the time of writing only one claim for late payment has been received for this period, and amounts to a cost of £10.

## **COMMISSION PERFORMANCE**

The Commission's performance in 2008/09 is considered by business context and by each business objective.

The Commission, while one of the smallest Executive Non-Departmental Public Bodies, carries the same corporate and statutory responsibilities required of any public body. The Commission has sought assistance from other agencies in the provision of a number of corporate responsibilities to ensure the proper discharge of the Commission's corporate and statutory responsibilities:

- The Department is responsible for human resources, accounts payments and information technology.
- The Central Services Agency is responsible for provision of support in developing the areas of equality, risk management and procurement.
- Deloitte and Touche is responsible for preparing the annual accounts.
- The Public Appointments unit of the DHSSPS manages the selection and appointment of members of the Commission.

## **DETENTION AND TREATMENT ISSUES**

In the year 2008/09 there were 1358 compulsory admissions to hospital for assessment, which resulted in 690 detentions under the Order. Annual figures for detention and admission under the Mental Health Order (NI) 1986 are highlighted in Table 1.

**Table 1 - Annual figures for detentions and admissions under the Order**

	03/04	04/05	05/06	06/07	07/08	08/09
Admissions	1498	1455	1379	1328	1357	1358
Detentions	777	822	763	764	735	690
Detentions as % of admissions	51.87%	56.49%	55.33%	57.53%	54.16%	50.81%

As has been the case over previous years, applications for admission to hospital for assessment have in the main been completed by approved social workers. The breakdown of the total number of applications for admissions by source is set out in Table 2.

**Table 2 - Breakdown of the total number of applications for admissions**

	Number
Approved Social Worker (ASW)	1191
Nearest Relative	147
Transfer Direction	3
Hospital Order	17
Total	1358

The annual figures for applications for admission by Approved Social Worker (ASW) and nearest relative are reflected in Table 3.

**Table 3. Annual figures for applications for admission**

	03/04	04/05	05/06	06/07	07/08	08/09
ASW	1166	1100	1114	1187	1187	1191
Nearest Relative	329	343	248	226	158	147

During 2008/09, the Commission secretariat completed a 100% check on all forms relating to detention and guardianship.

The forms are checked to identify:

- a) Faults which invalidate the application completely and which cannot be rectified and,
- b) Faults which can be rectified.

Articles 11 and 21 of the Order provide for certain errors to be rectified within a period not exceeding 14 days of the patient's admission to hospital or acceptance

into guardianship. Faults capable of amendment are those where, for example, spaces have been left blank where information other than a signature would be required or, failure to delete one or more alternatives in places where only one can be correct. The patient's forenames and surname must also agree in all parts of the documentation.

Another aspect of the forms which is closely checked relates to time limits – i.e.

- I. The date on which the applicant last saw the patient must not be more than 2 days before the date on which the application is made;
- II. The date of the medical examination of the patient by the doctor providing the medical recommendation must not be more than 2 days before the date upon which the recommendation is signed;
- III. The patient's admission must take place within 2 days of the recommendation except where a Form 4 has been signed extending the period for up to 14 days;
- IV. A medical examination of the patient must be completed immediately after admission to hospital with the Form 7 being signed on the same day. Allowance is made when admission is made shortly before midnight in which case the form would be signed the following day;
- V. Forms 7 and 8 extending the assessment period from 48 hours to 7 days must be completed within 48 hours of the completion of the Form 7;
- VI. Application for a further extension of 7 days for assessment is completed on a Form 9 which must be completed within 7 days of the hospital admission.

Any deviation from these limits renders the application invalid. All forms should be carefully scrutinised by the relevant Trusts before submission to the Commission.

Should an application be completed by an individual not empowered to do so under the Order then the application will be invalid. In such instances the application for detention must begin afresh. Where an application must be made afresh, the Commission requires the Trust to inform the patient or nearest relative of the position and of the right to seek legal redress as appropriate.

It is essential that the correct forms are used in each application and that each form is duly completed. The responsibility for correct completion of all prescribed forms relating to any aspect of assessment or detention rests with the originating Trust. It is important that each Trust has a system in place to ensure that all documentation is in order.

The officer receiving the patient should have delegated authority to ensure that the documents are complete and correct. He or she should be familiar with the requirements of the Mental Health (NI) Order 1986 and be able to refer to an authorised administrative officer in any case where there is doubt about the validity of the documents. Both the receiving officer and the administrative officer should understand what errors can be properly corrected in accordance with Article 11 of the Order (paragraph 2.62 of the Code of Practice to the Order, paragraphs 34 to 44 of the Guide to the Order).

During 2008/09 there were 14 improper detentions. Table 4 reflects yearly trends on improper detentions.

**Table 4 - Yearly trends on improper detentions**

	03/04	04/05	05/06	06/07	07/08	08/09
Number of Improper Detentions	57	20	35	25	19	14

The 14 cases of improper detentions can be categorised as follows:

- 8 cases where Form 10 not completed correctly
  - On 3 occasions admission date was incorrect.
  - On 1 occasion patient's name was incorrect.
  - On 2 occasions the deadline for completion of the form was missed.
  - On 1 occasion the name and address of the Trust was incorrect.
  - On 1 occasion the patient's surname was spelt incorrectly.
- 2 Cases where Form 11 not completed correctly
  - On 1 occasion admission date was incorrect.
  - On 1 occasion deadline for completion of form was missed.
- 1 Case where Form 12 not completed correctly
  - Incorrect deletions were made.
- 2 Cases where Form 8 not completed correctly
  - 1 case where the doctor signed the form as the Responsible Medical Officer but was not a doctor with Part II status.
  - 1 case where the deletions were not completed.
- 1 Case where Form 7 not completed correctly
  - Doctor signed the form as the Responsible Medical Officer but was not a doctor with Part II status.

Over recent years, one of the major issues of concern for the Commission has been completion of forms for patients transferred between jurisdictions. Each region in the United Kingdom operates separate mental health law and compatibility of provisions is an issue which requires guidance from the Department.

The Commission had requested a formal review of this matter and consequently the Department agreed to establish a working group to examine the areas of concern and to seek to address the problems that are occurring. No new work on the matter was actioned in 2008/09; however the Commission has continued to lobby the Department. As part of its submissions to the Consultative Document, (The legislative Framework for Mental Health Capacity & Mental Health Legislation in NI) the Commission has again explained the importance of taking the opportunity to amend the law to make it compatible with other parts of the United Kingdom. This is likely to become much more of a critical issue in the future given the use of community treatment plans currently operating in England and Wales under the legislative jurisdiction but which are currently not recognised in Northern Ireland.

## **DRUG TREATMENT PLANS**

It is a requirement of the Order that drug treatment plans should be passed to the Commission for any individual who has been subject to detention for more than three months.

During 2008/09, the medical members of the Commission completed independent reviews on each of the 369 drug treatment plans submitted. Five treatment plans were queried with the relevant Trust's Responsible Medical Officer (RMO), and were thereafter found to be acceptable to the members of the Commission Medical Panel. The yearly trends on drug treatment plans are set out in Table 5.

***Table 5 - Drug treatment plans by year***

	03/04	04/05	05/06	06/07	07/08	08/09
Number of drug treatment plans received	345	341	414	413	384	369
Number of treatment plans queried by Commission	3	18	9	10	7	5

## **GUARDIANSHIP**

Guardianship is a valuable part of the Mental Health Order (NI) 1986. It provides for a regime that enables people with certain mental health conditions to live a reasonably normal life within a structured community setting. A Trust may consider guardianship as the best way to care for a person; or detained patients in hospital may be transferred into guardianship in the community; or a person may be made subject to guardianship by order of a court.

During this year, the Guardianship Panel, that arm of the Commission responsible for administering all aspects of guardianship, met on three occasions. 162 individual files were examined in detail. This was in addition to the detailed scrutiny carried out by the Commission's secretariat.

As this was the last of 23 years monitoring this important part of the law, the Panel spent time preparing for the handover to RQIA on 1<sup>st</sup> April 2009. An additional meeting was held on 23<sup>rd</sup> October 2008 with RQIA representatives to appraise the new organisation of the Commission's processes for reviewing applications for guardianship. Meetings were held with Trusts which also included this area of work. A member from RQIA also attended the Guardianship Panel meetings during the year.

In 2008/09, the Panel considered again the importance of the Human Rights legislation. Inevitably the application of guardianship deprives individuals of some freedom of family life and privacy. Trusts must balance the advantages of living under guardianship against the human rights requirements. The Guardianship Panel considered a guidance proforma issued by the Director of Legal Services on points to cover when preparing reports for a guardianship application. A joint approach to this was decided involving the Commission and RQIA. It is recommended that this proforma should be used as an aide memoire when social workers are preparing reports. The whole aspect of guardianship in relation to human rights should become an area of specific interest for RQIA's Human Rights Adviser when appointed.

The Panel wished to promote good practice in relation to report preparation. In this respect seven reports were identified during the year for special recognition and the various Trusts were notified.

A number of specific cases were examined over the year particularly those where errors in the procedure resulted in the guardianship application becoming null and void. In a number of instances, this required commencing the procedure from the start. Additionally the law requires Trusts to refer guardianship cases to the Mental Health Review Tribunal every two years. A lapsed case nearing the two year period can deprive a person of this right. The Commission used its power in one case to make a referral and the application was upheld by the Mental Health Review Tribunal. In another example, the Commission personally visited and interviewed an individual to ensure that guardianship was appropriate.

Aspects of the Corporate Risk Register relating to guardianship were considered and appropriate amendments made. A view was taken that failures or lapses in respect of guardianship should be reported by Trust managers to its Board as part of

“governance” of the organisation. The breakdown of guardianship by Board area per year is illustrated in Table 6.

During the year 2008/09, 23 people were received into guardianship.

**Table 6 - Breakdown of guardianship by Board area per year**

BOARD	03/04	04/05	05/06	06/07	07/08	08/09
Western	5	0	1	1	1	1
Southern	5	4	1	2	5	4
Northern	8	13	9	11	10	7
Eastern	11	4	12	7	7	11
Total	29	21	23	21	23	23*

In 2008/09, errors in the completion of guardianship applications were noted in 6 cases.

1 x Form 16

- 1 case where the necessary deletions to confirm the doctor’s status had not been made.

5 x Form 18

- 2 cases where the full name of the approved social worker had been omitted.
- 2 cases where the Trust’s contact details had been entered instead of the full name of the approved social worker.
- 1 case where the name and address of the social worker was omitted.

Where an application must be made afresh, the Commission requires the Trust to inform the patient or nearest relative of the position and of the right to seek legal redress as appropriate.

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\* This figure includes six Article 28 Guardianship transfers from Detention.

## VISITING PROGRAMME

Article 86 of The Mental Health (NI) Order 1986 states that The Mental Health Commission has a responsibility to **'keep under review the care and treatment of patients'**.

Accordingly, the Visiting Panel of the Commission oversees a programme of visits to facilities providing care and treatment, and during 2008/09, 26 such visits were carried out as follows:

- 21/05/2008 - Ards Hospital (A)
- 09/06/2008 - Knockbracken Healthcare Park – Shannon Clinic (Medium Secure Unit) (A)
- 12/06/2008 - Knockbracken Healthcare Park – Minnowburn (Children's Unit) (A)
- 14/06/2008 - Gransha Hospital – Elderly Care (U)
- 19/08/2008 - Shaftsbury Square Hospital (U)
- 16/09/2008 - Knockbracken Healthcare Park – Regional Child and Adolescent Unit (U)
- 17/09/2008 - Lagan Valley Hospital (U)
- 04/10/2008 - Knockbracken Healthcare Park – Maine Unit (Brain Injury) (U)
- 16/10/2008 - Gransha Hospital – Acute Admissions Ward (U)
- 12/11/2008 - Holywell Hospital (A)
- 12/11/2008 - Ross Thompson Unit (A)
- 18/11/2008 - Longstone Hospital – Cherryville, Donard and Mourne House (U)
- 25/11/2008 - Tyrone and Fermanagh Hospital (A)
- 02/12/2008 - Downshire Hospital (A)
- 11/12/2008 - Gransha Hospital – Continuing Care (A)
- 17/12/2008 - Muckamore Abbey Hospital (U)
- 27/01/2009 - Craigavon Area Hospital (U)
- 04/02/2009 - St Luke's Hospital (A)
- 10/02/2008 - St Luke's Hospital – Under 18 Admission Ward (U)
- 13/02/2009 - Belfast City Hospital – Windsor House (A)
- 21/02/2009 - Lakeview Hospital (U)
- 24/02/2009 - Mater Hospital Trust – Home Treatment Team (A)
- 25/02/2009 - Southern Trust Visit to Home Treatment Teams at Trasna House, Craigavon and Banbridge Area Hospital (A)
- 27/02/2009 - Knockbracken Healthcare Park – Acute (Male and Female Admissions Wards, AVOCA (Psychiatric Intensive Care), Recovery (Moy, Bush, Clare, Knockbracken Clinic and Day Facilities), Elderly Care and Dementia Unit (U)
- 13/03/2009 - Whiteabbey Hospital (U)

**U = unannounced**

**A= announced**

An additional number of joint visits were also carried out by Commissioners as part of RQIA's visiting programme.

These visits were undertaken by a multi-disciplinary team of Commissioners. The aim is to applaud good practice, ensure high standards of care, identify any risks and trends and make recommendations. Reports were produced from each visit and issues reviewed with the Trust or responsible body. The Commission made a number of recommendations in the reports and have received or requested updates in respect of each report from the relevant Trust.

### **THE UNTOWARD EVENTS AND COMPLAINTS COMMITTEE (UTEC)**

This year we introduced pre-UTEC meetings involving the MHC Chief Executive, Medical Director of RQIA and the UTEC Convenor. The purpose of this meeting was threefold:

- i. To screen all new cases and allocate dates we would expect to receive the finished report.
- ii. Allocate the cases to go forward to UTEC.
- iii. Highlight cases that RQIA would be aware of, or could provide further information.

The joint working with RQIA has been very beneficial and through UTEC, joint visits were arranged to a learning disability facility in Fermanagh and retrospective visits to adult acute wards in the Western and Northern Trust areas to examine the care provided to adolescents recently admitted.

Finding an Independent Chair for Serious Adverse Incidents meetings is a problem for some Trusts, therefore there is a hold-up and sometimes an unacceptable delay in Trusts providing the Mental Health Commission with reports. The Northern Trust is considering employing someone specifically to act as Independent Chairperson for Independent Review of Serious Incidents within the Trust, which is a welcome step, and will hopefully resolve the situation.

There were 13 complaints brought to UTEC's attention. Table 7 sets out the number of complaints received by Trust area.

**Table 7 - Breakdown in number of complaints by Trust area**

<b>BOARD</b>	<b>2008</b>	<b>2007</b>
Western	2	0
Southern	1	2
Belfast	4	6
South Eastern	2	2
Northern	4	2
	<b>13</b>	<b>12</b>

In the majority of these cases the individuals who raised the complaints were not satisfied with the Trusts' responses.

The Commission remain concerned at the numbers of adolescents being admitted to adult wards. Surprisingly, in 2007 there were only 8 cases reported to the Mental Health Commission. This year there have been 40 incidents of adolescents admitted to adult wards.

## AUDIT

In recent years, the work of the Mental Health Commission's Audit Committee has grown in line with an increasing focus within public bodies on the important role of audit. This is especially important within Non-Departmental Public Bodies in relation to sound financial management and good governance.

The Audit Committee meets at least four times per year and comprises three members of the Commission and a non-executive member with a background in accounting. The Chairperson and Chief Executive are routinely invited to attend, as are both the internal and external auditors.

During 2008/09, the Audit Committee focused on a number of areas:

- Annual accounts;
- Annual budget allocation;
- Internal audit report;
- Risk register;
- Corporate governance;
- Patient monies;
- Staffing issues;
- Accommodation;
- Due diligence report to RQIA,

Key issues for the committee during the year continued to be the corporate governance requirements of the Commission, proposed merger of the Commission with RQIA and the introduction of earlier deadlines for the closing of final accounts.

Each of these areas was substantially progressed during the year with the help of the secretariat, the DHSSPS Internal Audit Group, the Northern Ireland Audit Office and Grant Thornton as well as the Commission's accountants, Deloitte and Touche.

In March 2009 the Audit Committee reviewed the Draft Management Review, Annual Report and shadow Statement of Internal Control. The Chairman of the Committee met with the Audit Chairman from RQIA to appraise him of the key issues raised and to identify any areas of concern for the RQIA Board.

## **EQUALITY**

The Commission finalised its Equality Impact Assessment on 'Access to Mental Health Commission Services for People with Mental Health Needs'. This followed consultation with interested parties which lasted from 18<sup>th</sup> April – 31<sup>st</sup> July 2008. Ten organisations submitted a response in writing. A further nine individuals participated in a round table discussion held in June 2008. Three children/young people from the Youth Panel of the Northern Ireland Commissioner for Children and Young People (NICCY) also provided input. After completion of the EQIA, a delivery plan will be drawn up by the RQIA to implement specific points emanating from the assessment, including a time frame for action.

In recognition of the implications of the pending transfer, the MHC approached the RQIA in early 2008/09 to advise them of the ongoing EQIA and to agree a joint approach to final decision-making (stage 6 of the EQIA) to ensure RQIA co-ownership of the commitments resulting from the EQIA and the future delivery of action points.

Many action points take into consideration work that has already been initiated in the context of the preparations for the transfer and thus builds on the work ongoing by RQIA.

Mental Health Commission for Northern Ireland

**THE CERTIFICATE AND REPORT OF THE COMPTROLLER AND  
AUDITOR GENERAL TO THE NORTHERN IRELAND ASSEMBLY**

I certify that I have audited the financial statements of the Mental Health Commission for Northern Ireland for the year ended 31 March 2009 under the Mental Health (Northern Ireland) Order 1986. These comprise the Operating Cost Statement, the Balance Sheet, the Cash Flow Statement and the related notes. These financial statements have been prepared under the accounting policies set out within them. I have also audited the information in the Remuneration Report that is described in that report as having been audited.

**Respective responsibilities of the Mental Health Commission for Northern Ireland,  
Chief Executive of the Regulation and Quality Improvement Authority and Auditor**

The Mental Health Commission and the Chief Executive of the Regulation and Quality Improvement Authority as Accounting Officer are responsible for preparing the Annual Report, which includes the Remuneration Report, and the financial statements in accordance with the Mental Health (Northern Ireland) Order 1986 and Department of Health, Social Services and Public Safety directions made thereunder and for ensuring the regularity of financial transactions. These responsibilities are set out in the Statement of Responsibilities of the Mental Health Commission and Chief Executive of the Regulation and Quality Improvement Authority.

My responsibility is to audit the financial statements and the part of the remuneration report to be audited in accordance with relevant legal and regulatory requirements, and with International Standards on Auditing (UK and Ireland).

I report to you my opinion as to whether the financial statements give a true and fair view and whether the financial statements and the part of the Remuneration Report to be audited have been properly prepared in accordance with the Mental Health (Northern Ireland) Order 1986 and Department of Health, Social Services and Public Safety directions made thereunder. I report to you whether, in my opinion, the information, which comprises the Management Review, Directors' Report and Remuneration Report, included in the Annual Report is consistent with the financial statements. I also report whether in all material respects the expenditure and income have been applied to the purposes intended by the Assembly and the financial transactions conform to the authorities which govern them.

In addition, I report to you if the Mental Health Commission for Northern Ireland has not kept proper accounting records, if I have not received all the information and explanations I require for my audit, or if information specified by the Department of Finance and Personnel regarding remuneration and other transactions is not disclosed.

I review whether the Statement on Internal Control reflects the Mental Health Commission for Northern Ireland's compliance with the Department of Finance and Personnel's guidance, and I report if it does not. I am not required to consider whether this statement covers all risks and controls, or form an opinion on the effectiveness of the Mental Health Commission for Northern Ireland's corporate governance procedures or its risk and control procedures.

I read the other information contained in the Annual Report and consider whether it is consistent with the audited financial statements. This other information comprises the unaudited part of the Remuneration Report. I consider the implications for my certificate if I become aware of any apparent misstatements or material inconsistencies with the financial statements. My responsibilities do not extend to any other information.

## Basis of audit opinions

I conducted my audit in accordance with International Standards on Auditing (UK and Ireland) issued by the Auditing Practices Board. My audit includes examination, on a test basis, of evidence relevant to the amounts, disclosures and regularity of financial transactions included in the financial statements and the part of the Remuneration Report to be audited. It also includes an assessment of the significant estimates and judgments made by the Mental Health Commission for Northern Ireland and Accounting Officer in the preparation of the financial statements, and of whether the accounting policies are most appropriate to the Mental Health Commission for Northern Ireland's circumstances, consistently applied and adequately disclosed.

I planned and performed my audit so as to obtain all the information and explanations which I considered necessary in order to provide me with sufficient evidence to give reasonable assurance that the financial statements and the part of the Remuneration Report to be audited are free from material misstatement, whether caused by fraud or error, and that in all material respects the expenditure and income have been applied to the purposes intended by the Assembly and the financial transactions conform to the authorities which govern them. In forming my opinion I also evaluated the overall adequacy of the presentation of information in the financial statements and the part of the Remuneration Report to be audited.

## Opinions

In my opinion:

- the financial statements give a true and fair view, in accordance with the Mental Health (Northern Ireland) Order 1986 and directions made thereunder by the Department of Health, Social Services and Public Safety, of the state of the Mental Health Commission for Northern Ireland's affairs as at 31 March 2009 and of its net expenditure and cash flows for the year then ended;
- the financial statements and the part of the Remuneration Report to be audited have been properly prepared in accordance with the Mental Health (Northern Ireland) Order 1986 and Department of Health, Social Services and Public Safety directions made thereunder; and
- information, which comprises the Management Review, Directors' Report and Remuneration Report, included within the Annual Report, is consistent with the financial statements.

### Opinion on Regularity

In my opinion, in all material respects, the expenditure and income have been applied to the purposes intended by the Assembly and the financial transactions conform to the authorities which govern them.

### Report

I have no observations to make on these financial statements.



*K J Donnelly*

*Comptroller and Auditor General*

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*16 October 2009*



**ANNUAL ACCOUNTS  
FOR THE YEAR ENDED  
31<sup>ST</sup> MARCH 2009**

## **ANNUAL ACCOUNTS**

The Mental Health Commission for Northern Ireland (the Commission) was established by Article 85 of the Mental Health (NI) Order 1986 (the Order).

This is the twenty third statement of accounts of the Commission for the year ended 31 March 2009. The Accounts have been prepared in a form directed by the Department of Health, Social Services and Public Safety (the Department) with the consent of the Department of Finance and Personnel in accordance with Articles 88 and 89 of the Order.

## **DIRECTORS' REPORT**

### **Brief History and Statutory Background**

The Commission was established by Article 85 of the Mental Health (NI) Order 1986 on 1 May 1986 and is an independent, multi-disciplinary body with investigative, inspectorial and advisory functions whose objectives are to secure, through referral to an appropriate authority, the welfare of any patient: -

- By preventing ill-treatment;
- By remedying any deficiency in care or treatment;
- By terminating improper detention in hospital or reception into guardianship; and,
- By preventing or redressing loss or damage to property.

### **Future Developments**

Following the initial announcement by the Secretary of State in March 2006 of the merger of the Mental Health Commission with the Regulation and Quality Improvement Authority (RQIA) on 1 April 2008, and subsequently delayed to 1 April 2009, the Commission worked with RQIA during 2008/09 on a number of issues to work towards making a successful transition to the future developments. A key objective within this change in structure would be to keep user and carer groups well informed in respect of any changes made to ensure that support and protection can continue to be offered as and when needed. The over-riding premise must always be an enhancement of provision for the client groups and their carers. This goal is shared by all parties working to deliver the statutory provisions required by the Mental Health (NI) Order 1986.

### **Principal Activities of the Commission**

A review of the objectives and activities is contained in the Commission's Annual Report for 2008/09 in accordance with Schedule 4, Paragraph 8 of the Mental Health (NI) Order 1986. This report precedes this section on the Annual Accounts.

This annual report and accounts is to be submitted to the Department of Health, Social Services and Public Safety for Northern Ireland.

## **Commission Members**

The Commission consisted of a Chairperson, appointed by the Head of the Department and having such legal experience as the Head of the Department considers suitable, and a number of other members appointed by the Head of the Department. The membership of the Commission covering the year ended 31 March 2009 is provided in Appendix A attached at the end of these accounts.

### **Commission Members are responsible inter alia for:-**

- The preparation of the Commission's Strategic Plan incorporating aims and objectives for a five year period;
- The preparation of an annual Business Plan;
- Submission of such plans to the Department each year for formal agreement; and
- Publishing an Annual Report.

## **Employee Involvement**

Members of staff are consulted about the interpretation of the legislation and any proposed changes to the Business Plan. Each member of staff has a personal copy of the Strategic Plan and Business Plan and direct access to information on the achievement of targets.

## **Management Interests**

There are no company directorships or other significant interests held by the Chief Executive that may conflict with his management responsibilities.

## **Employees with a Disability**

Civil Servants seconded from the Department staff the Secretariat to the Commission. Under the Northern Ireland Civil Service policy eligible persons shall have equal opportunity for employment and advancement in the Commission on the basis of their ability, qualifications and aptitude for the work.

## **Pension Liabilities**

The Remuneration Report provides details of the Principal Civil Service Pension Scheme (NI), under which the Commission's staff are covered. Note 1.i also provides information on the Commission's treatment of pension costs and liabilities. Details of the scheme for staff and the treatment of pension liabilities in the accounts are included in the 'Remuneration Report' section of this document.

## **Auditors**

Under Schedule 1, paragraph 12 (4) of the Health and Personal Social Services (Quality, Improvement and Regulation) (NI) Order 2003, the Comptroller and Auditor General has been appointed as auditor of the Commission.

The Accounting Officer has taken all the steps that he ought to have taken to make himself aware of any relevant audit information and to establish that it is made known to RQIA's auditors. So far as the Accounting Officer is aware, there is no relevant audit information of which RQIA's auditors have not been advised.

The notional cost of the external audit by the NIAO was £6,537.

The DHSSPS Internal Auditor provided the internal audit service to the Commission. The cost for 2008/09 was £7,245.

All reports by Internal and External Audit are considered by the Audit Committee. There was no remuneration paid to the Auditors for non-audit work.

### **Payment policies**

The Commission has sought to observe the principles of the Better Practice Payment Code. This provides that, unless otherwise stated in the contract, payment is due within 30 days of the receipt of goods or services, or presentation of a valid invoice or similar demand, whichever is the later. Since the processing of the Commission's financial transactions moved from Treasury Management Branch to Account NI in October 2008, prompt payment information has not been available.

In December 2008 the Department of Health issued best practice guidance to support businesses in the current economic situation for the payment of valid invoices within a 10 day target; however, monitoring continues on the basis of payment within 30 days.

The Late Payment of Commercial Debts Regulations (2002) provides small businesses with a statutory right to claim interest on the late payment of commercial debt. During the year the Commission incurred no interest payments.

### **Related party transactions**

These are disclosed at Note 4 to the accounts.

## **Research and development**

The Commission met with its sister organisations in England and the Republic of Ireland on a range of matters.

## **Charitable donations**

The Commission did not make or receive any charitable donations in 2008/09 (2007/08: £nil).

## **Fixed Assets**

Transactions during the year relating to fixed assets are set out at Note 6 to the financial statements.

## **Sickness Absence Data**

Sickness and absence are managed through the arrangements for Civil Service staff.

## **Personal Data Related Incidents**

There were no reported incidents of loss of personal data.

## **Post Balance Sheet Events**

There were no post balance sheet events which affect the accounts.

## **REMUNERATION REPORT**

This Remuneration Report discloses the actual payments made to Commissioners and to his employing authority in respect of the Chief Executive

The Chief Executive was Mr Paul McBrearty, who was on secondment from the Southern Eastern Health & Social Care Trust. The salary cost shown below for Mr McBrearty is the re-imburement by MHC of his payroll costs to the Trust for his employment with the Commission.

The staff of the Mental Health Commission were seconded from the Department of Health, Social Services and Public Safety and subject to the terms and conditions of employment applicable to the Civil Service.

### **Salary**

'Salary' includes gross salary; performance pay or bonuses; overtime; reserved rights to London weighting or London allowances; recruitment and retention allowances; private office allowances and any other allowances to the extent that it is subject to UK taxation.

### **Benefits in Kind**

The monetary value of benefits in kind covers any benefits provided by the employer and treated by the Inland Revenue as a taxable emolument.

### **Pension**

Past and present employees are covered by the provisions of the Principal Civil Service Pension Scheme (NI) (PCSPS (NI)). The defined benefit schemes are unfunded and are non-contributory except in respect of dependants' benefits. The Agency recognises the expected cost of these elements on a systematic and rational basis over the period during which it benefits from employees' services by payment to PCSPS (NI) of amounts calculated on an accruing basis. Liability for payment of future benefits is a charge on PCSPS (NI). In respect of the defined contribution schemes, the Commission recognises the contributions payable for the year.

Pension benefits are provided through the Civil Service Pension (CSP) arrangements. From the 1 October 2002, civil servants may be in one of three statutory based "final salary" defined benefit schemes (classic, premium, and classic plus).

The Schemes are unfunded with the cost of benefits met by monies voted by Parliament each year. Pensions payable under classic, premium, and classic plus are increased annually in line with changes in the Retail Prices Index.

New entrants after 1 October 2002 may choose between membership of premium or joining a good quality "money purchase" stakeholder arrangement with a significant employer contribution (partnership pension account).

Employee contributions are set at the rate of 1.5% of pensionable earnings for classic and 3.5% for premium and classic plus. Benefits in classic accrue at the rate of 1/80<sup>th</sup> of pensionable salary for each year of service. In addition, a lump sum equivalent to three years' pension is payable on retirement. For premium, benefits accrue at the rate of 1/60<sup>th</sup> of final pensionable earnings for each year of service. Unlike classic, there is no automatic lump sum (but members may give up (commute) some of their pension to provide a lump sum). Classic plus is essentially a variation of premium, but with benefits in respect of service before 1 October 2002 calculated broadly as per classic.

The partnership pension account is a stakeholder pension arrangement. The employer makes a basic contribution of between 3% and 12.5% (depending on the age of the member) into a stakeholder pension product chosen by the employee. The employee does not have to contribute but where they do make contributions, the employer will match these up to a limit of 3% of pensionable salary (in addition to the employer's basic contribution). Employers also contribute a further 0.8% of pensionable salary to cover the cost of centrally-provided risk benefit cover (death in service and ill health retirement).

Further details about the CSP arrangements can be found at the web site [www.civilservicepensions-ni.gov.uk](http://www.civilservicepensions-ni.gov.uk).

### **Service Contracts**

Civil service appointments are made in accordance with the Civil Service Commissioners for Northern Ireland's Recruitment Code, which requires appointment to be on merit on the basis of fair and open competition but also includes the circumstances when appointments may otherwise be made.

Unless otherwise stated below, the officials covered by this report hold appointments, which are open-ended until they reach the normal retiring age of 60. Policy relating to notice periods and termination payments is contained in the Northern Ireland Civil Service (NICS) Staff Handbook.

Further information about the work of the Civil Service Commissioners can be found at [www.nicscommissioners.org](http://www.nicscommissioners.org) .

### Senior Executives with Date of Appointment (Audited)

Paul McBrearty: Chief Executive on 7 September 2007.

Remuneration	2008-09		2007-08	
	<i>Salary</i>	<i>Benefits in kind (to nearest £100)</i>	<i>Salary</i>	<i>Benefits in kind (to nearest £100)</i>
	£'000	£'000	£'000	£'000
Joy Peden	Nil	Nil	40 - 45	Nil

The Chief Executive in 2007/08 was Joy Peden who left the Commission during the year and was replaced by Mr Paul McBrearty.

The Chief Executive during the whole of 2008/09, Mr Paul McBrearty, was seconded to the Commission from South Eastern Health & Social Care Trust. The Trust re-charged the gross cost of Mr McBrearty to the Commission which amounted to £103,500 for the period to 31 March 2009. The gross cost for part of the previous year was £57,515.

He is a member of the NHS pension scheme, details of which can be found in the Annual Report and Accounts of the South Eastern Health & Social Care Trust.

**STATEMENT OF RESPONSIBILITIES OF THE MENTAL HEALTH COMMISSION AND THE CHIEF EXECUTIVE OF THE REGULATION AND QUALITY IMPROVEMENT AUTHORITY**

Under Article 89 of the Mental Health (NI) Order 1986 the Mental Health Commission for Northern Ireland is required to prepare a statement of accounts for each financial year in the form and on the basis directed by the Department of Health, Social Services and Public Safety with the approval of the Department of Finance and Personnel. The accounts are prepared on an accruals basis and must present a true and fair view of the state of affairs of the Commission, of its income and expenditure and cash flows for the financial year.

In preparing the financial statements the Commission is required to: -

- Observe the Accounts Direction issued by the Department of Health, Social Services and Public Safety including relevant accounting and disclosure requirements, and apply suitable accounting policies on a consistent basis;
- Make judgements and estimates on a reasonable basis;
- State whether applicable accounting standards have been followed, and disclose and explain any material departures in the financial statements;
- Prepare the financial statements on the going concern basis, unless it is inappropriate to presume that the Commission will continue in operation;
- Keep proper accounting records which disclose with reasonable accuracy at any time the financial position of the Commission;
- Pursue and demonstrate value for money in the services that the Commission provides and in its use of public assets and the resources it controls.

The Permanent Secretary of the Department of Health, Social Services and Public Safety as Accounting Officer for health and personal social services resources in Northern Ireland designated the Chief Executive of the Mental Health Commission as Accounting Officer for the Commission. The relevant responsibilities as Accounting Officer, including the responsibility for the propriety and regularity of the public finances for which he is answerable and for the keeping of proper records, are set out in the Accounting Officer Memorandum, issued by the Department of Health, Social Services and Public Safety. The Accounting Officer is also responsible for safeguarding the assets of the Commission and hence for taking reasonable steps to prevent and detect fraud and other irregularities.

The Chief Executive of the Mental Health Commission was required to prepare a Management Commentary and sign a shadow Statement on Internal Control as close as possible to 31st March 2009. The Chief Executive of RQIA as Accounting Officer for the new organisation which has taken over the responsibilities and functions of the Mental Health Commission from 1 April 2009 is required to assume the role of Accounting Officer for the former body and sign off the accounts and SIC of the Commission for 2008/09.

# STATEMENT ON INTERNAL CONTROL

## **Scope of Responsibility**

The HSC is currently undergoing a period of transition as a result of the changes arising from the Review of Public Administration. The Health and Social Care Reform (NI) Act 2008 provided that from 1 April 2009 the Mental Health Commission ceased to exist and its responsibilities and functions were assumed by the Regulation and Quality Improvement Authority (RQIA).

The provision of those services formerly provided by the Mental Health Commission is now the responsibility of RQIA. This transfer of responsibility includes a requirement for RQIA to produce the 2008/09 annual report and accounts of the Mental Health Commission, including the Statement on Internal Control.

All Mental Health Commission members were accountable for internal control in the Mental Health Commission during 2008/09. As Accounting Officer, the Chief Executive of the Mental Health Commission had responsibility for maintaining a sound system of internal control to support the achievement of the policies, aims and objectives of the organisation, whilst safeguarding the public funds and assets for which he was responsible in accordance with the responsibilities assigned by the Department of Health, Social Services and Public Safety.

The accountability arrangements for the accounting officer were set out in a letter to Mr Paul McBrearty from Mr Andrew McCormick, Permanent Secretary and HSC Chief Executive dated 9 June 2008 together with the NDPB Accounting Officer Memorandum attached to the letter.

## **The purpose of the system of internal control**

The system of internal control is designed to manage risk to a reasonable level rather than to eliminate all risk of failure to achieve policies, aims and objectives; it can therefore only provide reasonable and not absolute assurance of effectiveness. The system of internal control is based on an ongoing process designed to:

- identify and prioritise the risks to the achievement of organisational policies, aims and objectives;
- evaluate the likelihood of those risks being realised and the impact should they be realised, and to manage them efficiently, effectively and economically.

The system of internal control has been in place in the Mental Health Commission for the year ended 31 March 2009, and up to the date of approval of the annual report and accounts, and accords with Department of Finance and Personnel guidance.

The Commission exercised strategic control over the operation of the organisation through a system of corporate governance which included:

- A Corporate Governance Strategy, that delegates authority within set parameters to the Chief Executive and other officers;

- A Risk Management Strategy;
- The establishment of an appropriate committee structure including a Management Committee and an Audit Committee;
- A transfer of functions Steering Group and Project Board to manage the cessation of the Mental Health Commission and transfer to RQIA; and,
- standing orders and standing financial instructions, including the functions of the Audit Committee.

The system of internal financial control was based on a framework of regular financial information, administrative procedures including the segregation of duties and a system of delegation and accountability. In particular it included:

- A budgeting system with an annual budget, which was reviewed and agreed by the Commission.
- Regular reviews by the Commission of financial reports, which indicated financial performance against the forecast.
- Setting targets to measure financial and other performances.
- Clearly defined capital investment control guidelines.

The Mental Health Commission had an internal audit function which operated to defined standards and whose work was informed by an analysis of risk to which the body was exposed and annual audit plans were based on this analysis.

An Internal Audit of the Commission was carried out during the period July 2008 to October 2008 to provide an independent professional opinion on the adequacy and effectiveness of the system of internal control over key functions namely:

- Budgeting Management.
- Member's fees and Travel Expenses.
- Purchasing of goods and services.
- Procurement and safeguarding of Assets.

A follow up of Audit recommendations made in Audits of the Commission in 2004/05 and 2005/06 was also carried out to establish the current position. A number of issues were highlighted arising from the Audits in 04/05 and 05/06. Overall Internal Audit was able to provide satisfactory assurances; some non-compliance with established controls and opportunities to improve control further were also identified. As Accounting Officer the Chief Executive took all possible steps to address areas of non-compliance and to implement improvements between the period from November 2008 to February 2009. It was noted that the accounting and other transactions of the Mental Health Commission would be provided through the systems operated by RQIA from 1 April 2009 and these would provide the necessary controls. Audit requirements identified for the Commission's systems in respect of their functions are to be adopted by RQIA as appropriate.

With regard to the wider control environment the Mental Health Commission had in place a range of organisational controls, commensurate with the assessment of risk, designed to ensure the efficient and effective discharge of its business in accordance with the law and departmental direction. Every effort was made to ensure that the objectives of the Mental Health Commission were pursued in accordance with the recognised and accepted standards of public administration.

For example, the Mental Health Commission had recruitment and selection policies based on the principle of equality of opportunity and controls were in place to ensure that all such decisions were taken in accordance with the relevant legislation.

### **Capacity to handle risk**

Leadership was given to the risk management process by the Commission which developed a risk management strategy to identify the Commission's objectives and risks and set out a control strategy for each of the significant risks. Commission members were trained and equipped to manage risk. A risk assessment is updated and presented to the Audit Committee on a quarterly basis. The full Commission approved the risk assessment at least annually.

### **The risk and control framework**

Procedures were put in place for verifying that aspects of risk management and internal control were regularly reviewed and reported and that risk management was incorporated fully into the corporate planning and decision making processes of the organisation. A full review of the Commission's Risk Register was carried out in 2008/09. A number of risks were reviewed and refocused on the specific functions of the Commission rather than a more generic statement which did not clearly identify the actual risk to the Commission. Previously these risks had not been adequately assessed in terms of the actual level of risk to the Commission nor had they taken into account the impact of a depleted Secretariat, both in numbers and experience. The Revised Risk Register was presented to the Audit Committee, Management Committee and subsequently the Full Commission.

To prepare for the Transfer of Functions, RQIA employed Deloitte to carry out a Due Diligence Review on the Business of the Mental Health Commission. The Report was presented in August 2008.

Risks to information were managed and controlled in line with Departmental guidance. The Commission initiated an Audit of its Record Management systems and controls on the flows of information in and out of the Commission's office. No significant data flows occurred during 2008/09. However, in preparation for the dissolution of the Commission steps were taken to recover or ensure that any papers held by Commissioners relating to the business of the Commission were returned for confidential shredding or disposed of in a similar manner at their place of work. Commissioners subsequently confirmed the action taken by them to dispose of any such papers. Guidance was also issued for the deletion of any electronic data held on personal computers or flash drives.

Commission files were transferred to secure storage through an approved contractor. PRONI attended the Commission office and reviewed all files held. A number were identified for review in fifteen years. These files were appropriately indexed, boxed and removed to secure storage. Files marked for destruction were recorded, and disposed off via confidential shredding using an approved contractor. The Commission's I.T. systems were transferred to RQIA by an approved contractor.

The Mental Health Commission was not required to assess its compliance with the Controls Assurance Standards defined by the Department as this was not a mandatory requirement for a NDPB in 2008/09.

## **Review of Effectiveness**

On 31 March 2009, the Accounting Officer of the Mental Health Commission provided a statement of assurance on the system of internal control operating within the Mental Health Commission during 2008/09. This assurance followed a review of the effectiveness of the system of internal control which was informed by the work of the internal auditors and the executive managers within the Mental Health Commission who had responsibility for the development and maintenance of the internal control framework and comments made by the external auditors in their management letter. The Accounting Officer was advised by the Audit Committee of the Mental Health Commission on the implications arising from the review of the effectiveness of the system of internal control.

As Accounting Officer of RQIA, I have assumed responsibility for the review of effectiveness of the system of internal control within the Mental Health Commission. In carrying this out, I have placed reliance on the assurances provided by the Accounting Officer of the Mental Health Commission. My review has also been informed by assurances provided by the Audit Committee of the Mental Health Commission and RQIA, the Annual Report of the Chief Internal Auditor and by the external auditors. I have been advised on the implications of the result of my review of the effectiveness of the system of internal control by the Board of RQIA.

Arrangements have been made to implement recommendations arising out of audit work in the Mental Health Commission in respect of the functions that have transferred to RQIA and any systems that have also transferred.

The due diligence review noted above resulted in a series of proposed actions which were project managed by RQIA and it was a standing item for review on the agenda of the regular meeting of the Project Board. The action plan addressed the following areas: Facilities, Fixed Assets, Risk Management, Records and Data Management Procedures and Policies and Risk Register.

### ***Additional actions to deal with significant internal control issues***

These will be subsumed into the arrangements for RQIA:

1. An assurance framework for the management of risk has been agreed in 2008/09 and implementation is to be completed in 2009/10.
2. Further specific measures in relation to information risk are being progressed in 2009/10 in the context of RQIA's corporate records improvement plan.

Chief Executive: 

10th September  
Date: 2009

RQIA

# MENTAL HEALTH COMMISSION

## OPERATING COST STATEMENT FOR THE YEAR ENDED 31 MARCH 2009

		2009	2008
	Notes	£	£
<b>Operating Cost</b>			
Salaries	3	309,364	213,069
Other operational costs	5	340,180	375,925
Notional costs	1i	50,613	52,149
<b>Net Operating Cost</b>		700,157	641,143
<b>Less Notional Costs:</b>			
Notional Cost of Capital		-986	266
Other Notional Costs		51,599	51,883
<b>Net Operating Cost Excluding Notional Costs</b>		649,544	588,994

There were no gains or losses in the year ending 31 March 2009. Consequently, no Statement of Total Recognised Gains and Losses has been presented in these accounts.

All amounts above relate to activities which transferred to RQIA on 1 April 2009.

Notes 1 to 18 (pages 39 to 52) form part of these accounts.

**MENTAL HEALTH COMMISSION BALANCE SHEET AS AT 31 MARCH 2009**

	Notes	31-Mar-09		31-Mar-08	
		£	£	£	£
<b>FIXED ASSETS</b>					
Tangible Assets	6		0		53,230
<b>CURRENT ASSETS</b>					
Debtors	7			4,489	
Cash at Bank and In Hand	8	0		183	
					4,672
<b>CREDITORS</b>					
Amounts falling due within one year	9	79,314		33,935	
			(79,314)		(33,935)
<b>NET CURRENT ASSETS</b>			(79,314)		(29,262)
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>			(79,314)		23,968
<b>CREDITORS</b>					
Amounts falling due after more than one year	10		-		-
Provisions for liabilities and charges	11		-		-
			(79,314)		23,968
<b>CAPITAL AND RESERVES</b>					
General Fund	12		(79,314)		23,968
			(79,314)		23,968

I certify that the annual accounts set out in the financial statements and the notes to the accounts (pages 35 to 52) have been submitted to and duly approved by the Regulation and Quality Improvement Authority as the successor body to the Mental Health Commission. The notes on pages 39 to 52 form part of these accounts.

Chief Executive: 

Date: 10 Sept 09

Chairperson: 

Date: 10 Sept 09



**CASH FLOW STATEMENT FOR THE YEAR ENDED 31 MARCH 2009**

		<b>31-Mar-09</b>	<b>31-Mar-08</b>
	<b>Notes</b>	<b>£</b>	<b>£</b>
Net Cash Inflow / (Outflow) from operating activities	15(a)	<b>(546,446)</b>	<b>(567,445)</b>
<b>Capital expenditure and financial investment</b>			
Payments to Acquire Tangible Fixed Assets		-	<b>(54,156)</b>
Proceeds from Sale of Fixed Assets		-	-
<b>Net Cash Inflow / (Outflow) before Financing</b>		<b>(546,446)</b>	<b>(621,601)</b>
<b>FINANCING</b>			
Funding	15(b)	<b>546,262</b>	<b>621,709</b>
<b>Increase / (Decrease) in Cash and Bank Balances</b>	15(c)	<b>(183)</b>	<b>107</b>

The notes on pages 48 & 49 form part of this statement.

## **NOTES TO THE ACCOUNTS**

### **1. Statement of Accounting Policies**

#### **a. Basis of Accounting**

The accounts have been prepared in a form determined by the Department of Health, Social Services and Public Safety in accordance with the requirement of Schedule 1, paragraph 12 of the Health and Personal Social Services Act (Northern Ireland) 2002.

#### **b. Accounting Convention**

The accounts have been prepared under the historical cost convention modified to reflect changes in the cost of fixed assets (see "c" below).

#### **c. Basis of Preparation of Accounts**

Without limiting the information given, the accounts have been prepared in accordance with the 2008/09 Government Financial Reporting Manual (FReM), issued by the HM Treasury. The accounting policies contained in the FReM follow UK Generally Accepted Accounting Practice (UK GAAP) for companies to the extent that it is meaningful to the public sector. Where the FReM permits a choice of accounting policy, the accounting policy which has been judged to be the most appropriate to the particular circumstances of the Commission for the purpose of giving a true and fair view has been selected.

#### **d. Fixed Assets**

Fixed assets are capitalised in the accounts. The treatment of fixed assets in the accounts (capitalisation, valuation and depreciation) is in accordance with the revised Capital Accounting Manual issued by the DHSSPSNI.

Grants in aid received for specific capital expenditure on depreciable assets are credited to the Government Grant Reserve on the Balance Sheet. The same proportion of the amount of any revaluation that the amount of grant bears to the asset's acquisition cost is also credited to the Government Grant Reserve. The remainder of the revaluation relating to the proportion of assets not financed by grant is credited to the Revaluation Reserve.

##### **i Capitalisation**

All assets falling into the following categories are capitalised in accordance with the guidance issued by the Department of Health, Social Services and Public Safety:-

- tangible assets which are capable of being used for a period which would exceed one year and have a cost in excess of £500;
- groups functionally interdependent tangible assets having a total cost of acquisition in excess of £1,000 and where each asset in the group:
  - is acquired and expected to be disposed of in the same financial year
  - is under single management control and;
  - has an individual value of at least £250.

ii **Valuation**

Fixed assets are valued as follows:

- Equipment is valued at the lower of depreciated replacement cost or recoverable amount.

iii **Depreciation**

Depreciation is calculated so as to write off the cost of tangible fixed assets less their estimated residual values over the expected useful economic lives of the assets concerned.

The principal annual rates used for this purpose are:

Tangible Fixed Asset	Depreciation Rate
Fixtures and Fittings	5% straight line
Information Technology Equipment	20% straight line

In the 2008/09 year, additions for fixtures and fittings in relation to the Lombard House office fit out have been depreciated over the life of the lease i.e. 50% straight line.

iv **Profit and Loss on sale of Fixed Assets**

Any difference between the net book value and income received from the sale of equipment will lead to an adjustment on disposal to be made to the depreciated figure.

The disposal of land and buildings will result in a corresponding reduction in the Capital Reserve. No profit or loss on the sale of those assets is recorded in the Income and Expenditure Account.

e. **Stocks**

Stock consists only of consumable items and is therefore expensed in the year of purchase.

f. **Losses and Special Payments**

Note 18 is a memorandum statement unlike most notes in the accounts which provide further details of the figures in the primary accounting statement. Most of the contents will be included in operating expenses.

g. **Value Added Tax**

The Commission as a non-Departmental Public Body cannot recover VAT incurred through the Central VAT agreement.

As the Commission is not required to register for VAT the figures in the accounts are shown inclusive of VAT.

h. **Pensions**

The Commission participates in the Principle Civil Service Pension Scheme. Under this defined benefit scheme both the Commission and employees pay specified percentages of pay into the scheme and the liability to pay benefits falls to the N.I. Civil Service. Pension contributions are included in salaries and wages costs. The Commission is unable to identify its share of the underlying assets and liabilities of the scheme on a consistent and reliable basis. Further information on the Principle Civil Service Pension Scheme can be found in the Superannuation Account Scheme statement included in the DHSSPS Departmental Resource Account.

The contributions are charged to the income and expenditure account as they arise. The costs of early retirements are met by the Commission and charged to the income and expenditure account at the time the Commission commits itself to the payment, irrespective of when the payment is made.

i. **Notional Costs**

In order to reflect the full economic cost of the Commission's activities the accounts include notional costs for interest on capital employed.

The notional cost of capital employed by the Commission is calculated as 3.5% of the average capital employed over the financial year.

Notional Costs can be analysed as follows:

	2008/09	2007/08
	£	£
DHSS&PS	37,817	45,023
Salary Costs	-	-
NIAO – Audit	6,537	6,860
Internal Audit	7,245	0
Cost of Capital	(986)	159
	<b>50,613</b>	<b>52,042</b>

## 2. Income

The expenditure of the Commission is met by DHSSPS which made payments on its behalf. There is no revenue resource limit or draw down of funds.

The Department's financing of the Commission is shown in note 12, Movement in General Reserve, as the "Net Grant from DHSSPS". It is also included in the Cash Flow Statement as "Financing".

## 3. STAFF COSTS AND NUMBERS

### 3.1 Staff Costs

Total staff costs are broken down as follows:

	2009	2008
	£	£
Administrative and Clerical Staff	309,364	213,069
	<b>309,364</b>	<b>213,069</b>
	2009	2008
	£	£
Salaries and Wages	276,234	178,699
Social Security Costs	10,486	9,598
Other Pension Costs	22,644	24,772
<b>TOTAL</b>	<b>309,364</b>	<b>213,069</b>

The staff of the Commission Secretariat are members of the Principal Civil Service Pension Scheme (NI).

Pension benefits for the Secretariat staff are provided through the Principal Civil Service Pension Scheme (Northern Ireland) (PCSPS (NI)). This is a statutory scheme, which provides benefits on a "final salary" basis at normal retirement age of 60. Benefits accrue at the rate of 1/80<sup>th</sup> of pensionable salary for each year of service. In addition a lump sum equivalent to 3 years pension is payable on retirement. Subject to certain conditions, pensions are increased annually in line with the cost of living. Members pay contributions of 1.5% of pay towards their spouse's pension; these contributions are deducted from pay before tax. On death, pensions are payable to the surviving spouse at the rate of 1/160<sup>th</sup> of the member's pensionable pay multiplied by the length of reckonable service for which contributions were paid (plus pension increase).

Employee contributions are set at the rate of 1.5% of pensionable earnings for classic and 3.5% for premium and classic plus. Benefits in classic accrue at the rate of 1/80<sup>th</sup> of pensionable salary for each year of service. In addition, a lump sum equivalent to three years' pension is payable on retirement. For premium, benefits accrue at the rate of 1/60<sup>th</sup> of final pensionable earnings for each year of service. Unlike classic, there is no automatic lump sum (but members may give up (commute) some of their pension to provide a lump sum). Classic plus is essentially a variation of premium, but with benefits in respect of service before 1 October 2002 calculated broadly as per classic.

On death in service, the PCSPS(NI) pays a lump sum benefit of twice pensionable pay and also provides an enhancement to the service used to calculate the spouse's pension. A lump sum deduction will be taken from the death benefit for any service enhancement awarded. The service enhancement depends on length of service and cannot exceed 10 years. Medical retirement is possible in the event of serious ill health. In this case pensions are brought into payment immediately without actuarial reduction and with service enhanced as for widow(er) pensions.

Civil service staff returned to their departments during the year or were replaced by staff seconded from RQIA. These seconded staff remained employees of RQIA.

### 3.2 Number of Employees

	2009 No.	2008 No.
Senior Management	1	1
Professional and Technical	-	-
Administration and Clerical Staff	6	6
<i>Agency, temporary and contract staff</i>	3	3
<b>Totals</b>	<b>10</b>	<b>10</b>

## 4. Related Party Transactions

The Mental Health Commission for Northern Ireland is a Non-Departmental Public Body sponsored by the Department of Health, Social Services and Public Safety.

The Department of Health, Social Services and Public Safety is regarded as a related party since the Commission had various material transactions with it.

The Regulation and Quality Improvement Authority is regarded as a related party as the Commission had various material transactions with it resulting from the transitional arrangements during 2008/09 for the transfer of functions to RQIA on 1 April 2009.

During the year the Commission also had various material transactions with other entities for which the Department of Health, Social Services and Public Safety is regarded as the parent Department.

The Commission has had no material transactions with other Government Departments or Central Government Bodies.

None of the board members of the Commission, members of the key management staff or other related parties have undertaken any material transactions with the Commission during the year.

## 5. Other Operating Costs

	2009	2008
	£	£
Staff Travel and Subsistence	-	(109)
Chairperson's and Members' Fees	108,885	98,207
Chairperson's and Members' Travel and Subsistence	9,633	13,522
Practitioner's Fees and Travel	5,259	5,852
Electricity	4,325	1,860
Telephone & postage	5,397	8,426
Repairs and maintenance	634	1,530
Accommodation Costs (Rent, Rates & service charge)	75,439	102,582
Training	-	-
Conference/AGM	644	3,425
Publication of joint Annual Report and Accounts	-	3,354
Consultancy fees:		
- equality scheme	746	10,240
- finance	26,168	12,372
Legal fees	-	-
Miscellaneous (made up of:-)	49,820	102,038
- contract cleaning	4,751	3,913
- water	-	321
- stationery	2,333	5,893
- printing	5,520	2,585
- GAE costs	-	78
- conferences	521	4,475
- cash advance	-	893
- Other Operating	36,695	29,123
- Temporary staff	-	54,758
Depreciation	53,230	12,627
<b>TOTAL</b>	<b>340,180</b>	<b>375,925</b>

## 6. Tangible Fixed Assets – Purchased Assets

	Fixtures	Information Technology Equipment	Total
	£	£	£
<b>Cost or valuation</b>			
At 1 April 2008	60,413	9,415	69,828
Revaluation	-	-	-
Additions	-	-	-
Transfers	-	-	-
Disposals	-	-	-
<b>At 31 March 2009</b>	<b>60,413</b>	<b>9,415</b>	<b>69,828</b>
	£	£	£
<b>Depreciation</b>			
At 1 April 2008	11,175	5,423	16,598
Indexation	-	-	-
Transfers and Acquisitions	-	-	-
Revaluation	-	-	-
Disposals	-	-	-
Provided during the year	49,238	3,992	53,230
<b>At 31 March 2009</b>	<b>60,413</b>	<b>9,415</b>	<b>69,828</b>
<b>Net Book Value</b>			
<b>At 31 March 2009</b>	<b>0</b>	<b>0</b>	<b>0</b>
At 31 March 2008	49,238	3,992	53,230

## 7. Debtors

	2009	2008
	£	£
Boards/ HSS Trusts	-	-
Prepayments	-	4,489
Accrued Income – Department	-	-
	-	<b>4,489</b>

Included within the debtors balance are the following intra-governmental balances:

<b>Balances with</b>	<b>2009 £</b>	<b>2008 £</b>
Central government bodies	-	-
Local Authority	-	-
NHS trusts	-	-
Public corporations	-	-
	-	-

**8. Cash at Bank and In Hand**

	<b>2009 £</b>	<b>2008 £</b>
Cash at Bank	-	-
Petty Cash	-	183
	-	<b>183</b>

**9. Creditors (amounts falling due within one year)**

	<b>2009 £</b>	<b>2008 £</b>
Boards/HSS Trusts	-	-
Accruals	79,314	33,935
	<b>79,314</b>	<b>33,935</b>

Included within the creditors balance are the following intra-governmental balances:

<b>Balances with</b>	<b>2009 £</b>	<b>2008 £</b>
Central government bodies	-	-
Local Authority	-	-
NHS trusts	-	-
Public corporations	-	-

**10. Creditors (amounts falling due after more than one year)**

	<b>2009 £</b>	<b>2008 £</b>
	-	-

### 11. Provision for Liabilities and Charges

	2009		2008	
	£	£	£	£
At 1 April		-		-
Arising during the year		-		-
Reversed unused		-		-
Utilised during the year		-		-
Unwinding of discount		-		-
Charge to OCS		-		-
At 31 March		-		-

### 12. Reserves: The movement on the General Fund in the year comprised: -

	2009	2008
	£	£
Balance at 1 April	23,968	(8,748)
Net Grant from DHSSPS	546,262	621,709
Net Cost of Operations	(700,157)	(641,143)
Notional Costs	51,599	51,883
Cost of Capital	(986)	266
Grant Credited to Government Grant Reserve	-	-
Balance at 31 March	<b>(79,314)</b>	<b>23,968</b>

### 13. Post Balance Sheet Events

There were no post balance sheet events which affect the accounts.

### 14. Capital Commitments

The Mental Health Commission had no capital commitments as at 31 March 2009 (31 March 2008: £nil).

15. NOTES TO THE CASH FLOW STATEMENT

a. Reconciliation of Operating Surplus to Net Cash Inflow/(Outflow) from operating activities.

	2009	2008
	£	£
Net Expenditure for the Financial Year	(700,157)	(641,143)
Depreciation on Fixed Assets	53,230	12,627
Profit / (Loss) on sale of fixed assets	0	0
Transfer from Donated Asset Reserve	0	0
(Increase) / decrease in stocks	0	0
Decrease / (increase) in debtors	0	0
Decrease / (increase) in prepayments and accrued income	4,489	593
Increase / (decrease) in other taxation and social security	0	0
	0	0
Increase / (decrease) in creditors	0	0
(Decrease) / increase in accruals	45,379	8,329
Increase / (decrease) in Provisions	0	0
Notional Costs	50,613	52,149
<b>Net cash inflow / (Outflow) from operating activities.</b>	<b>(546,446)</b>	<b>(567,445)</b>

b. Reconciliation of net cash flow to movement in net debt

	31-Mar-09	31-Mar-08
	£	£
Grant-in-aid from DHSSPS	546,262	567,553
Capital Grant received from DHSSPS	0	54,156
	546,262	621,709
Applied Towards the purchase of fixed assets	0	(54,156)
Net funds at 31 March 2009	546,262	567,553

**c. Analysis of changes in net funds/debt**

	<b>At 1 April 2008</b>	<b>Cash Flows</b>	<b>Non Cash changes</b>	<b>At 31 March 2009</b>
	£	£	£	£
Cash at bank and in hand	183	(183)		0

**16. Contingent Liabilities**

There are no contingent liabilities for 2008/09 (2007/08 - £nil).

**17. Analysis of Losses and Special Payments**

There were no Losses and Special Payments in relation to the Mental Health Commission for 2009/08 (2007/08 – £nil).

**18. Performance against Key Financial Targets**

The Commission's key financial targets are:

- (a) To keep within the financial budget allocated by the Department  
This target was met.

## APPENDIX A - COMMISSION MEMBERS

Name	Position	
Mr N McKenna	Chairperson	From 8 October 2007
Ms E Sherrard	Clinical Psychologist Member	
Mr G Colgan	Nursing Member	
Mr P Convery	Occupational Therapist Member	
Dr Maria McGinnity	Consultant Psychiatry Member	
Dr B Fleming	Medical Member	
Mrs M Kane	Nursing Member	
Dr N Keenan	Medical Member	
Ms H Lendrum	Lay Member	
Mr S Logan	Social Work Member	
Mr G M O'Brien	Lay Member	
Mr D Poole	Lay Member	
Ms C Quigley	Social Work Member	
Ms J Devlin	Non-Executive Finance Director	
Dr Michael Healey	GP Member	
Mr Stephen Herron	Legal Member	

The Commission can under Article 87 (1)(b) appoint individuals to carry out work on behalf of the Commission. In 2008/09 the following individuals acted in this capacity.

Dr R Galloway	Medical Member
Mr B Mullen	Nursing Member
Mrs M Keenan	Nursing Member
Dr C Donnelly	Medical Member
Mr J McCluney	Social Work Member
Mrs M O'Boyle	Social Work Member
Mrs F Wilson	Lay Member
Dr Diana Day-Cody	Medical Member

## **APPENDIX B - THE MEDICAL PANEL OF THE COMMISSION**

It is the responsibility of the Commission to ensure that only legally authorised doctors have the power to detain, recommend reception into guardianship or provide second opinions.

A list of Part II and Part IV Doctors can be obtained by contacting the Commission.