

Committee of Public Accounts Report on the Examination of the 2019 and 2020 Financial Statements for Horse Racing Ireland, and related financial matters

Issue One – Distribution of prize money in horseracing;

According to Horse Racing Ireland's 2020 Financial Statements, the total prize money pool for horse racing dropped from €67.6 million in 2019 to €51.6 million in 2020, a reduction in the order of €16 million. This fall was attributed to the COVID-19 pandemic, during which racing was suspended between late March and mid-June 2020.

A significant proportion of prize money is won by horses trained by the top twenty horse trainers in both national hunt and flat racing¹. The top six trainers, by prize money earned by horses, were as follows:

- €13 million during the 2019/2020 national hunt racing season, and
- €12.5 million during the 2020 flat racing season.

Before deductions to industry and charitable bodies, trainers are allocated 10% of gross prize money, earning 6.8% net of total prize money. Using 2019 statistics provided by HRI, horse breeders collectively received 0.5% of the total prize money pool².

Currently, there is no detailed breakdown of where prize money ends up in any HRI publications. Rather, the yearly factbook provides a list of prize money won by trainers during both the National Hunt racing season and the Flat racing season.

As up to 80% of Exchequer funding of HRI can be used towards prize money, the total pool of which is significant, it is important there is transparency for the taxpayer regarding the distribution of prize money. As things stand, it is not possible to evaluate the current system of prize money distribution.

The Committee heard that HRI receive State support via the Horse and Greyhound Racing Fund, of which HRI receives 80%, with Rásaíocht Con Éireann receiving the remaining 20%. The Comptroller and Auditor General confirmed that he was unaware of any other circumstance where funds to two distinct organisations were distributed 'as rigidly' on a pro rata basis. The Committee believes that pro rata distribution is not an appropriate funding mechanism for both the horseracing and greyhound racing sectors.

The Committee is also concerned that the regulatory body, the Irish Horseracing Regulatory Board (IHRB), is almost entirely dependent on the sectoral body, HRI, whose sport it governs for funding.

Recommendation 1:

The Committee recommends that Horse Racing Ireland includes a detailed breakdown in its annual report of the distribution of the total prize money pool each year, commencing from its 2022 Annual Report.

The Minister for Public Expenditure, NDP Delivery and Reform is informed by the Department of Agriculture, Food and the Marine that HRI accepts this recommendation.

¹ [R1581 PAC33](#)

² [R0423 PAC33](#)

The Minister is further informed by the Department of Agriculture, Food and the Marine that HRI notified Department of Agriculture, Food and the Marine that it will include the appropriate prize money distribution disclosures as part of the 2022 annual report process and in future years.

Recommendation 2:

The Committee recommends that the Department of Agriculture, Food and the Marine conducts a full review of Exchequer funding to the Horse and Greyhound Racing Fund, and reports to the Committee by May 2023, with a view to examining:

- **the social and economic impact of the fund, including the efficacy of the fund in supporting the development of both sectors, the broadest cohort of those involved in both sectors, and rural communities;**
- **whether the use of the fund to subsidise prize funds represents best value for money;**
- **the efficacy of the fund in ensuring the highest levels of animal welfare standards; and**
- **the appropriateness of pro rata distribution as a funding mechanism for both the horseracing and greyhound racing sectors.**

The Minister for Public Expenditure, NDP Delivery and Reform is informed by the Department of Agriculture, Food and the Marine that this recommendation is accepted except for the fourth bullet point which has been rejected by the Minister for Agriculture, Food and the Marine.

- **the social and economic impact of the fund, including the efficacy of the fund in supporting the development of both sectors, the broadest cohort of those involved in both sectors, and rural communities;**

The Minister for Public Expenditure, NDP Delivery and Reform is further informed by the Department of Agriculture, Food and the Marine that the recommendation outlined in the above bullet point with regard to thoroughbred racing has been addressed via a recently published report commissioned by HRI [Horse Racing Ireland's Social & Economic Impact Report 2023 \(hri.ie\)](#).

The Economic and Financial Significance of the Greyhound Industry Report³ produced in July 2021 by Jim Power Economics for Rásaíocht Con Éireann addresses this matter with regard to the greyhound industry.

- **whether the use of the fund to subsidise prize funds represents best value for money;**

The Minister is further informed by the Department of Agriculture, Food and the Marine that the matter outlined in this bullet point will be reported on by the end of September 2023 to the Committee by the Department of Agriculture, Food and the Marine in conjunction with HRI as the commercial State body with responsibility for the thoroughbred horse racing industry, and in conjunction with Rásaíocht Con Éireann, the commercial State body with responsibility for the greyhound racing industry.

³ [The Economic and Financial Significance of the Greyhound Industry Report 2021](#)

- **the efficacy of the fund in ensuring the highest levels of animal welfare standards; and**

The Minister is further informed by the Department of Agriculture, Food and the Marine that this matter will be reported on by the end of September 2023 to the Committee by the Department of Agriculture, Food and the Marine in conjunction with HRI as the commercial State body with responsibility for the thoroughbred horse racing industry and the IHRB, the body responsible for the regulation of the industry, and in conjunction with Rásaíocht Con Eireann, the commercial State body with responsibility for the greyhound racing industry.

- **the appropriateness of pro rata distribution as a funding mechanism for both the horseracing and greyhound racing sectors.**

The Minister for Public Expenditure, NDP Delivery and Reform is further informed by the Minister for Agriculture, Food and the Marine that this point of the recommendation is rejected, as he considers this to be a policy matter for Government. The pro rata breakdown of the Horse and Greyhound Fund is required under The Horse and Greyhound Act 2001, Section 12.

Issue Two – Installation of CCTV cameras at racecourses;

Funding for the installation of CCTV cameras at racecourses was initially allocated in the Irish Horseracing Regulatory Board's (IHRB) budget in 2018. €60,000 was allocated for the installation of CCTV cameras at four racecourses in 2018, and €80,000 was allocated to the Horse Racing Ireland budget in 2019 for CCTV installation.

Neither allocation was spent for the purposes intended, with the former funding going back to the Exchequer, and the latter funding reallocated to fund the introduction of online licensing.

An invitation to tender was published in May 2021, and at the time of the Committee's engagement with HRI and IHRB in September 2022, CCTV cameras had been installed at two of 22 tracks nationwide. A number of timelines for the completion of the project have been provided to the Committee. The Committee is concerned at the delays which indicate a lack of focus on completing the project.

The Committee believes the lack of progress made on this project is unsatisfactory, given the importance of CCTV cameras to the provision of integrity services by IHRB, for which funding is provided by HRI. Taking into account the current timelines, it is likely that over five years will have passed from the initial budgeted allocation for CCTV cameras in 2018 to the full rollout of CCTV at racecourses.

The Committee notes the high priority recommendation of the Independent Review of the IHRB Equine Anti-Doping Programme⁴ by Dr. Craig Suann, that the presence of CCTV at racecourses be expanded beyond that envisaged in this initial rollout.

The Committee also questions the level of oversight by the Department of Agriculture, Food and the Marine to ensure that these projects - which are crucial to the integrity of horseracing - are completed in a timely fashion.

⁴ Independent Review of the Irish Horseracing Regulatory Board Equine Anti-Doping Programme, page 13

Given that HRI receives extensive funding from the Exchequer (70.5% of HRI's income in 2020), the Committee wishes to see funded projects completed without undue delay.

Recommendation 3:

The Committee recommends that the installation of CCTV cameras at racecourses nationwide is completed by the Irish Horseracing Regulatory Board without further delay, and that a progress report is provided to the Committee by April 2023.

The Minister for Public Expenditure NDP Delivery and Reform is informed by the Department of Agriculture, Food and the Marine that the IHRB accepts this recommendation.

The Minister is further informed by the Department of Agriculture, Food and the Marine that CCTV is now installed at all racecourses. A report from the IHRB is attached.

Recommendation 4:

The Committee recommends that the Department of Agriculture, Food and the Marine:

- **improves its oversight of the public bodies funded by the Exchequer in this area to ensure integrity within the horseracing industry,**
- **undertakes a review of the project to install CCTV cameras at racecourses in the State, and**
- **reports to the Committee on the above by May 2023.**

The Minister for Public Expenditure, NDP Delivery and Reform is informed by the Department of Agriculture, Food and the Marine that this recommendation is accepted.

- **improves its oversight of the public bodies funded by the Exchequer in this area to ensure integrity within the horseracing industry,**

The Minister is further informed by the Department of Agriculture, Food and the Marine that it has comprehensive and robust oversight arrangements in place for all of its State bodies that are consistent with the Code of Practice for the Governance of State Bodies 2016. Nonetheless, the Department of Agriculture, Food and the Marine continuously reviews and proactively seeks ways to strengthen its governance oversight. Against the background of the recommendations of the Committee the Department of Agriculture, Food and the Marine will examine the arrangements in place in relation to HRI. With regard to integrity within the horseracing industry, HRI maintains governance oversight of the IHRB via a Service Level Agreement which is currently being reviewed.

- **undertakes a review of the project to install CCTV cameras at racecourses in the State, and**
- **reports to the Committee on the above by May 2023.**

The Minister is further informed by the Department of Agriculture, Food and the Marine that the project referred to has been completed and a report from the IHRB on the matter is attached.

Recommendation 5:

The Committee recommends that both Horse Racing Ireland and the Irish Horseracing Regulatory Board include a note in their financial statements regarding decisions to re-allocate funding, and to provide the rationale for same, commencing from their 2022 Financial Statements.

The Minister for Public Expenditure NDP Delivery and Reform is informed by the Department of Agriculture, Food and the Marine that HRI and the IHRB accepts this recommendation.

The Minister is further informed by the Department of Agriculture, Food and the Marine that reallocations will be disclosed, as and when applicable, within the financial statements. The 2022 draft unaudited financial statements include a statement that HRI has operated within the funding parameters set by the Department of Agriculture, Food and the Marine. The IHRB financial statements will carry an equivalent statement that IHRB has operated within the funding parameters agreed with HRI.

Recommendation 6:

The Committee recommends that the Irish Horseracing Regulatory Board reports to the Committee by April 2023 on Dr. Suann's recommendation in relation to the rollout of CCTV at racecourses.

The Minister for Public Expenditure, NDP Delivery and Reform is informed by the Department of Agriculture, Food and the Marine that the IHRB accepts this recommendation.

The Minister is further informed by the Department of Agriculture, Food and the Marine that the IHRB accepted and acted upon Dr Suann's recommendation that "with the roll-out of CCTV on all racecourses, CCTV should be installed in the Sampling Units of each Racecourse". The CCTV installation in Sampling Units is in place as part of the overall CCTV roll-out. As highlighted above, a report from the IHRB on the matter of CCTV is attached.

Issue Three – Investments in racecourses and associated land;

Horse Racing Ireland entered into an agreement in 2020 to provide a convertible loan of up to €9 million to Curragh Racecourse Limited (CRL). Any liability to HRI at the loan maturity date of 31 January 2024 will be converted to shares in CRL. At the time of the Committee's engagement with HRI in September 2022, HRI confirmed €7.6 million had been drawn down.

This investment is in addition to funding in excess of €36 million provided to CRL by HRI up to the end of 2019. Therefore, the total investment by HRI in CRL from the redevelopment funding and the convertible loan could amount to €45 million if the full loan amount is drawn down.

HRI's total equity investment to date in CRL was €23m at the end of 2020. While the company returned a cash profit in 2021, the carrying value of HRI's share in CRL at the end of 31 December 2020 was €16.6m. This represents a cumulative loss of €6.4m at the end of 2020.

The Committee is concerned that, as CRL's accounts are not audited by the C&AG, HRI's investment in CRL is not subject to public accounting scrutiny. Furthermore, the Committee is not satisfied with the performance of HRI's investment in CRL. The Committee notes that the value of HRI's shares in the company has dropped by approximately 28%. The Committee is concerned as it cannot evaluate the performance of CRL, as the company is not audited by the C&AG.

The Committee heard further evidence in its engagement with HRI in September 2022 that several investments in recent years made by HRI in racecourses and associated land have not provided value-for-money for the taxpayer. HRI recorded a loss of €105,000 in its 2020 accounts arising from the disposal of seven acres of land through a land swap deal undertaken by its subsidiary, the Tipperary Race Company plc, trading as Tipperary Races.

Tipperary Races obtained an independent valuation for 12 acres of land in order to redevelop the racecourse. HRI's board was notified of the proposal to purchase this land in March 2018. The land was purchased at a cost of €25,000 per acre. However, further correspondence from HRI states that its Board were made aware that the asking price of the land exceeded market rates and valuation at the time⁵. Given that the land was valued at €17,500 per acre, the transaction exceeded the market valuation by €90,000 in total.

When the land swap deal was undertaken by Tipperary Races in 2021, the same independent valuer from whom a valuation was sought for the 12 acres of land in 2018 valued the 7 acres to be swapped at €10,000 per acre. Therefore, there was a write-down of approximately €15,000 per acre in the carrying value⁶ of the 7 acres disposed of as part of the land swap deal.

While the Committee accepts that the initial purchase of 12 acres by Tipperary Races in 2019 was conducted as per the rules stated in the Code of Practice for the Governance of State Bodies⁷, it is concerned that HRI did not view the swap of land in 2021 as a disposal of land and notify the Department of the transaction. The Department stated during the Committee's engagement in September 2022 that the C&AG's report on HRI's 2020 Financial Statements 'was the first time it became visible to us [the Department] that this swap had actually taken place with a loss of money'.

HRI advised the Committee that the land swap deal did not result in a cash loss; rather, it was a loss to Tipperary Races, which amounted to approximately 12% of the company's annual turnover. However, as the company is an indirect subsidiary of the HRI Group, who have a 97.56% shareholding in the company, the Committee believes that HRI should have used its oversight of Tipperary Races to ensure the company did not book a loss of this magnitude.

⁵ [R1581 PAC33](#)

⁶ The carrying value, or booked value, is an asset value based on the company's balance sheet, which takes the cost of the asset and subtracts its depreciation over time.

⁷ [Code of Practice for the Governance of State Bodies: Chapter 8](#)

Recommendation 7:

The Committee recommends that Horse Racing Ireland reviews its investment strategies with a view to achieving better outcomes for the Exchequer, and sends a detailed report to the Committee by April 2023 on:

- **the performance of its investment in CRL, and**
- **an update on the status of the convertible loan provided to the company.**

The Minister for Public Expenditure, NDP Delivery and Reform is informed by the Department of Agriculture, Food and the Marine that HRI accepts this recommendation.

The Minister is further informed by the Department of Agriculture, Food and the Marine that a signed memorandum provided by HRI entitled "PAC Report - CRL Investment March 2023" is attached.

Recommendation 8:

The Committee recommends that the Department conducts a review of the State's investment in CRL, taking into account:

- **the fuller breadth of public interest projects in receipt of State monies and support outside of direct Exchequer supports; and**
- **any reforms that can be undertaken in that regard.**

The Minister for Public Expenditure NDP Delivery and Reform is informed by the Department of Agriculture, Food and the Marine that it accepts this recommendation.

The Minister is further informed by the Department of Agriculture, Food and the Marine that the CRL redevelopment, in the context of governance and financial management, will be reported on by the end of September 2023 to the Committee by the Department of Agriculture, Food and the Marine.

Recommendation 9:

The Committee recommends that, in light of Tipperary Races' write-down of land disposed, Horse Racing Ireland:

- **informs the Department of Agriculture, Food and the Marine of any disposals of land by the HRI group or its subsidiaries, and**
- **reports to the Committee on the progress of the redevelopment of Tipperary Racecourse by April 2023.**

The Minister for Public Expenditure, NDP Delivery and Reform is informed by the Department of Agriculture, Food and the Marine that HRI accepts this recommendation.

The Minister is further informed by the Department of Agriculture, Food and the Marine that HRI will inform the Department of Agriculture, Food and the Marine of any disposals of land by the body or its subsidiaries. There were no such disposals in 2022. The Minister is further informed by the Department of Agriculture, Food and the Marine that the status of the redevelopment of Tipperary racecourse has been provided by HRI and is outlined below:

- HRI received approval for the Tipperary All-weather Track development project to pass through the Preliminary Business Case of the Public Spending Code (PSC) in December 2022.
- The next stage under the PSC is to seek Gate 2 approval for the Detailed Project Brief and Procurement Strategy. This request was submitted to DAFM on March 13th, 2023.
- The plan is currently subject of an appeal to An Bord Pleanála that had a decision date indicated of April 18th, 2023. An Bord Pleanála have informed HRI that it was unable to provide a response by the stated date and will do so as soon as is practicable.

Issue Four – Procurement of cash-in-transit services;

Horse Racing Ireland reported a cash loss of €389,000 in 2019 in relation to the liquidation of Senaca, which provided it with cash-in-transit services.

While this was not reported as a loss to the Horse and Greyhound Racing Fund, the extent of this cash loss calls into question the due diligence by HRI in its procurement of cash-in-transit services.

The Committee first discussed the matter with HRI in February 2021. HRI confirmed that the Garda National Economic Crime Bureau was investigating the liquidation of Senaca. HRI informed the Committee in September 2022 that the investigation was ongoing. Correspondence received from HRI indicates this is still the case as of November 2022, and that a Detective Garda of the Serious Economic Crime Investigation Unit is leading this investigation.

Upon finalising a settlement with the liquidator, HRI recovered €120,000 after fees, which totalled approximately €30,000⁸. However, this still results in a loss of €269,000 to HRI, which is of concern to the Committee given the extent to which HRI is funded by the Exchequer.

⁸ [R1581 PAC33](#)

Recommendation 10:

The Committee recommends that Horse Racing Ireland incorporates learnings from the significant loss of money through cash-in-transit services in 2019 into its procurement processes.

The Minister for Public Expenditure, NDP Delivery and Reform is informed by the Department of Agriculture, Food and the Marine that HRI accepts this recommendation.

The Minister is further informed by the Department of Agriculture, Food and the Marine that following the liquidation of Seneca, HRI published a public tender for cash and Transit Services which was awarded in June 2020. The tender incorporated the learnings from the previous Seneca Contract. The new contract is performing as expected, however, it is due to expire in May 2024. HRI anticipates that a new tender for this service will be published on etenders in the fourth quarter of 2023.

Recommendation 11:

The Committee recommends that Horse Racing Ireland keeps the Committee apprised of the progress made in the An Garda Síochána investigation into the liquidation of Seneca in 2019, and provides the Committee with an update on the investigation in April 2023, and further updates every six months until its conclusion.

The Minister for Public Expenditure, NDP Delivery and Reform is informed by the Department of Agriculture, Food and the Marine that HRI accepts this recommendation.

The Minister is further informed by the Department of Agriculture, Food and the Marine that the update from An Garda Síochána on this matter dated 29th December 2022, provided by HRI, is attached and HRI suggest that a further update can be provided in July and every 6 months thereafter.

Given under the Official Seal of the Minister for Public Expenditure, NDP Delivery and Reform on this the day of June, 2023.



L.S.

David Moloney

Secretary General

Department of Public Expenditure, National Development
Plan Delivery and Reform

27/06/2023

An Garda Síochána

Biúró Náisiúnta An Gharda Síochána
um Choireacht Eacnamaíoch,
6 Plás Íle uachtarach,
Báile Átha Cliath,
D02 TY02



Garda National Economic Crime Bureau,
6 Ely Place Upper,
Dublin,
D02 TY02

Tel / Teileafón : 01 6663745
Fax / Facs : 01 6663798

Láithreán Gréasáin/Web site: www.garda.ie
Riomhphoist/E-Mail: gnecb.districtoffice@garda.ie

Bí linn / Join us :



Date: 29/12/2022

Luaigh an uimhir thagartha seo a leanas, le do thoil :
Please quote the following reference no. : GNECB_20-304786/22
Your reference: Ref: S1117 PAC33

**Committee of Public Accounts
Leinster House
Dublin 2**

Re: Public Accounts Committee (PAC) Request: Business Mobile Security Services Limited (Senaca)

With reference to the above and as requested per correspondence issued by the Committee of Public Accounts to Horse Racing Ireland (HRI) on the 22nd of December 2022 (Ref: S1117 PAC33), please be advised of the below by An Garda Síochána.

The Garda National Economic Crime Bureau continues to work closely with the liquidator in this matter who is completing a full financial analysis of the company subject of the allegation, namely Business Mobile Security Services Limited (Senaca). Investigating Gardaí have as part of the necessary financial analysis uplifted a volume of banking documents and financial information.

Separately the Garda National Economic Crime Bureau continue to engage with willing parties effected by the activities of Business Mobile Security Services Limited (Senaca). An Garda Síochána are currently pursuing 50 lines of enquiry with many of these enquiries at an advanced stage. Further enquiries are however envisaged subsequent to the conclusion of the ongoing financial analysis of the liquidator.

Forwarded for your information, please

Signed:  Detective Sergeant

Memorandum

To: DAFM

From: Horse Racing Ireland

Date: 28th March 2023

Subject: PAC Recommendation 7 Response – CRL Investment Review and Convertible Loan Update

Performance of its Investment

As of today, HRI has invested €23m for shares, €0.5m for a 30-year suite access, €12.5m in grant aid and €8.2m of the approved €9m convertible loan. When the full amount of the convertible loan has been paid over HRI will have provided the Curragh racecourse with €45m which was matched and slightly exceeded by the private investors who have now provided €47m towards the business.

Following a tough opening year in 2019, HRI and CRL made several changes to the operating model at the racecourse in order to turn around the business. With Covid unfortunately impacting on operations during 2020, CRL returned to making operating cash profits in 2021 and 2022 and is forecasted to continually make operating cash profits into the future. Although making operating cash profits CRL is still currently showing a loss on ordinary activities after taxation due to non-cash items such as depreciation. As per its depreciation policy, CRL non-cash items of depreciation and amortisation of grants is circa €4.5m annually. HRI is satisfied with CRL's depreciation policy and is also satisfied that the racecourse is now making annual cash operating profits and does not require any further financial support.

In February 2021 HRI submitted to DAFM a 5-year plan which forecasted for a closing cash balance of €1.3m as at 31st December 2022 and €2.1m at 31st December 2025. CRL actual cash balance as at 31st December 2022 was €2.0m (54% increase) and a revised 5 year plan now forecasts a cash balance of €2.5m as at 31st December 2025 (19% increase). In addition, cash from operations for 2022 – 2025 as per the February 2021 plan forecasted profits of €2.7m over the 4-year period. Updated financial projections are now forecasting cash from operations profits of €3.3m over the same 4-year period (22% increase). The additional profits is allowing for greater reinvestment within the company in order to provide for continued growth.

The Curragh had its first meeting of the 2023 season last weekend and attendances were up on 2022 due to marketing initiatives by the Curragh to bolster attendances and get people back racing again. In addition, the Curragh was selected as the venue for a second world pool event to be held in Ireland later in 2023. These initiatives will ensure the Curragh continues to be self-sustaining in the future.

The Public Spending Code distinguishes two steps to be taken in the post project review: one is the Project Completion Report and the other is the Ex-Post Evaluation Report. The objective of the Project Completion Report is to assess whether a project has been delivered in line with its intended scope and budget and is mainly project-focussed. This step has been completed and the report was submitted to DAFM in February 2021.

The second requirement – the completion of an Ex-Post Evaluation Report in order to evaluate whether the intended benefits and outcomes of the development have materialised and to judge the impact of the project has been held up due to Covid as it was not practicable to formally complete the Ex-Post Evaluation in these circumstances. The Public Spending Code states that the Ex-Post Evaluation should be conducted once sufficient time has elapsed for the benefits and outcomes to materialise (3-5 years). It is intended to formally complete the Ex-Post Evaluation Report following the conclusion of the 2023-2024 racing season which allows for 3 full racing seasons following covid (2022 – 2024). HRI will be in a better position to provide a full assessment of the performance of its investment at that stage and the report will be forwarded to DAFM upon completion. That being said, HRI is currently satisfied with the path that the Curragh racecourse is on and the investment it made to provide a world class facility to showcase the Irish racing industry.

Update on Convertible Loan:

In September 2020, HRI received Ministerial consent to enter into a €9m convertible loan agreement subject to certain conditions which all have been met. As of 28th March 2023, HRI has provided €8.2m of the €9m convertible loan. The full €9m of the private investors loan has now been paid over to CRL. As per the terms of the agreements, the loans are due to convert to equity in January 2024 should CRL not be in a position to repay the loans. While CRL is in a stronger cash position today, it is not in a position to repay €18m worth of loans and therefore the loans (both HRI and private investors) will be converted into equity as was indicated to DAFM in 2020 when seeking sanction for the transaction. HRI currently holds 35.3% of the economic shares of the company and this will increase to 37.4% upon conversion.



Eoin O' Sullivan
Group Capital & Treasury Manager



Roger Casey
Chief Financial Officer

**Ms Sarah Cremin
Committee Secretariat
Committee of Public Accounts
Leinster House
Dublin 2**

By email: PAC@oireachtas.ie

Your ref: 33/CPA/016

28 March 2023

Dear Ms Cremin,

I refer to the Committee of Public Accounts report on the *Examination of the 2019 and 2020 Financial Statements for Horse Racing Ireland and related financial matters*, which was published on 31 January 2023 and, in particular, to Issue Two in the report, which deals with the installation of CCTV cameras at racecourses.

The Committee recommended that the installation of CCTV cameras at racecourses nationwide is completed by the Irish Horseracing Regulatory Board without further delay, and that a progress report is provided to the Committee by April 2023. This progress report follows previous updates on the project that were provided to the Committee on 28 November and 20 December 2022, and 20 January 2023.

From the outset in late 2021, the CCTV project encountered delays in relation to the tendering process and potential legal challenges to same, as well as considerable unanticipated civil, ducting, and electrical works that were subsequently required before installation could commence in certain locations and, at some racecourses, stable redevelopment that was taking place or planned to take place which directly impacted on the CCTV project. These delays were not caused by and were outside the control of the IHRB and Horse Racing Ireland.

Nevertheless, we are pleased to advise the Committee that the CCTV installation project is now largely complete. Systems in all 25 racecourse stable yards are now live and operational, with the CCTV systems at the last three stable yards having gone before St Patrick's Day and only minor snagging work remaining to be completed at a small number of locations. A small number of racecourses have building works that are either in progress, about to start or are in the planning process. Where CCTV upgrades are required consequently, these will be carried out at a future date when the redevelopments are completed.

The project was delivered on behalf of the IHRB by the successful tenderer, Mongey Communications, a Kildare-based communications technology firm which is a market leader in providing technical solutions for the industrial, commercial and event sectors.

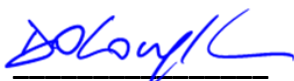
The following statistics will help to illustrate the scale of the CCTV project:

- 500+ Milesight Cameras installed;
- 25,500 meters of Cable used;
- 300+ meters of piping and cable containment;
- 98 Extreme managed POE switches;
- 25 Network Video Recorders complete with two independent databases and back-up Uninterruptable Power Supply;
- 2,000 terabytes of storage;
- 50 wireless access points to allow IHRB staff operate the CCTV system on mobile tablets;
- Civil, ducting and electric enabling works completed at 17 locations using 6 sub-contractors;
- Over 1,500 data connections (RJ45) terminated;
- 200 '24 Hour CCTV Recording in Operation' signs; and
- An average of 10 days on site at each yard including civils and revisits to install the Extreme POE switches.

In his independent review of the IHRB Equine Anti-Doping Programme in 2022, Dr Craig Suann concluded that the IHRB programme does “at least match international best practice in most respects and has made significant advances in recent years” and made a number of recommendations that, if adopted, were “capable of enhancing the robustness of the programme’s processes, capabilities and capacities.” One of these recommendations was that with the roll-out of CCTV on all racecourses, CCTV should be installed in the Sampling Units of each racecourse. The IHRB accepted and acted on this recommendation and, as part of the overall system roll-out, CCTV cameras have been installed in Sampling Units.

I hope that this provides the clarification required and we look forward to engaging with the Committee further in the future.

Yours sincerely,



Darragh O'Loughlin
Chief Executive Officer