

# DÁIL ÉIREANN

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## AN COMHCHOISTE UM IOMPAR, TURASÓIREACHT AGUS SPÓRT

## JOINT COMMITTEE ON TRANSPORT, TOURISM AND SPORT

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*Dé Céadaoin, 18 Nollaig 2019*

*Wednesday, 18 December 2019*

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The Joint Committee met at 9 a.m.

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Comhaltaí a bhí i láthair / Members present:

Teachtaí Dála / Deputies

Seanadóirí / Senators

Ruth Coppinger,	Mark Daly,
Marc MacSharry,	Frank Feighan,
Catherine Murphy,	John O'Mahony,
Jonathan O'Brien,	Pádraig Ó Céidigh.
Kevin O'Keeffe,	
Noel Rock.	

I láthair / In attendance: Deputies Tony McLoughlin and Maurice Quinlivan.

Teachta / Deputy Fergus O'Dowd sa Chathaoir / in the Chair.

*The joint committee met in private session until 10.05 a.m.*

### **Governance and Funding of Football Association of Ireland: Discussion**

**Chairman:** I remind members and people in the Public Gallery to switch off their mobile telephones as they interfere with the recording equipment. Before commencing the main business of today's proceedings, I will turn to some housekeeping matters. I welcome the Minister for Transport, Tourism and Sport, Deputy Ross. I apologise to him and all our guests for the delay in the meeting starting. We had to deal with internal issues. I also welcome the Minister of State at the Department of Transport, Tourism and Sport, Deputy Griffin, Mr. Ken Spratt, assistant secretary, and Mr. Peter Hogan of the Department of Transport, Tourism and Sport, and Mr. John Treacy, chief executive officer, Mr. Kieran Mulvey, chairperson, and Mr. Colm McGinty of Sport Ireland.

In accordance with procedures, I am required to point out that by virtue of section 17(2)(l) of the Defamation Act 2009, witnesses are protected by absolute privilege in respect of their evidence to the committee. However, if they are directed by the committee to cease giving evidence on a particular matter and they continue to so do, they are entitled thereafter only to a qualified privilege in respect of their evidence. They are directed that only evidence connected with the subject matter of these proceedings is to be given and they are asked to respect the parliamentary practice to the effect that, where possible, they should not criticise or make charges against any person, persons or entity by name or in such a way as to make him, her or it identifiable. Members are reminded of the long-standing parliamentary practice to the effect that they should not comment on, criticise or make charges against a person outside the House or an official either by name or in such a way as to make him or her identifiable.

The committee invited, and expected, representatives of the Football Association of Ireland, FAI, to attend this meeting, particularly when they said last Sunday week that they were prepared to do so. They are not coming and I have a letter which I will read into the public record. It is addressed to the clerk of the committee and is from Rea Walshe, company secretary. It states:

Further to my email of Friday I confirm that we had an open and honest meeting at Leinster House yesterday with Ministers Ross and Griffin.

As stressed after that meeting the immediate focus of the Board must be on the financial restructuring necessary to safeguard jobs, the FAI's financial future and the appointment of an Independent Chairperson and three Independent Directors.

At this moment in time, this requires the undivided attention of the Board of the Association and key management, it is for this reason that the Association is regretfully not in a position to appear before the Joint Committee, tomorrow Wednesday, December 18th.

As soon as the measures outlined above are complete, the Board will welcome the opportunity to appear before the Committee at a time that suits your members. The Board of the FAI thanks the Committee for its patience and understanding at this critical juncture for Irish football.

The committee is happy to issue the invitation again to the FAI and to meet its representatives at any time and, if needs be, as early as possible in the new year.

**Deputy Ruth Coppinger:** It is important that the committee states that we do not have patience and understanding. That is assumed on our behalf in the last line. If we are inviting them back before the committee, it should be before the tenure of Mr. Conway ends.

**Chairman:** Of course.

**Deputy Ruth Coppinger:** This is something the committee believes is vital because he was there when many of the events took place. He is due to be replaced at the end of January so it must be before that.

**Chairman:** I agree. In fact, Deputy Catherine Murphy proposed at the last meeting that we meet at the earliest time in January to facilitate such a meeting.

**Deputy Kevin O’Keeffe:** On the one hand, we all would like to see everybody from the board of the FAI attend the meeting. On the other, however, the Minister says he will not deal with anybody from the old guard. How will we speed up the process? If the old guard does not go, the Minister will not engage with the board of the FAI. We are looking to keep the members of the old guard in place in order that we can meet them first. How do we handle that situation?

**Chairman:** I think we have to handle the situation as we find it. That is why the Minister, the Minister of State and Mr. Treacy are going to address the committee. Everybody here will have an opportunity to ask whatever questions he or she wants. It will be a question-and-answer session. We do not want speeches. We will be looking for direct replies after the three opening speakers have made their initial statements. The transparency and accountability of the Oireachtas and the work of this committee, in particular, have been very effective in dealing with this issue. We insisted on the forensic audit, which turned out to be the KOSI audit. We have nothing to be ashamed of here as a committee. We work as a committee. We are not political in that context. We want to see a future for football that involves funding being restored for young people and women who play the game. I understand that the assets of the FAI include club grounds around the country, such as United Park in Drogheda. We want to ensure that regardless of whatever happens, these assets remain in sport ownership, if at all possible. I do not know what will happen, but I know that everybody up and down the country wants us to get a new committee in place, to get the new directors in place and to move to the future. We want to ensure the mothers and fathers who are out with their children every week in good and bad weather have confidence in football as a sport. As a committee, we are working with the Minister and with Sport Ireland to restore confidence.

**Deputy Catherine Murphy:** I think we should park the reply from the FAI, have our meeting here and come back afterwards to draw up our strategy for dealing with the various segments of this matter, including what happened in the past and what will happen in the future. We should leave enough time at the end of this meeting to deal with that. A process should result from this meeting.

**Chairman:** I agree with the Deputy. I invite the Minister, Deputy Ross, to make his opening statement. I thank him for circulating it, albeit at a very late stage.

**Minister for Transport, Tourism and Sport (Deputy Shane Ross):** I am joined by the Minister of State, Deputy Griffin, who will also give an opening statement. I am also joined by two officials: Mr. Ken Spratt, who is an assistant secretary in the Department of Transport, Tourism and Sport, and Mr. Peter Hogan, who is a principal officer in the sports division of the

Department. I would like to respond to what the Chairman said about my opening statement being provided late by apologising for the fact that it was not possible to share a copy of the statement with the committee earlier than this morning. I was receiving responses to queries from UEFA, the Attorney General and Sport Ireland yesterday afternoon. Therefore, this statement was not finalised until last night. In fact, one or two changes were later this morning after the script was provided to the committee.

It is deeply disappointing to be before this committee once more to discuss the need for major reform of the FAI. It was on St. Patrick's Day that we first read in *The Sunday Times* about a most irregular financial transaction, namely, the 2017 loan of €100,000 by the former chief executive. This was prompted by a financial crisis in the FAI. The association was looking at a situation in which it could not settle its creditors. The national governing body for football in Ireland, which is one of the largest sporting bodies in the State, found itself without funds to pay for its day-to-day operations. In such circumstances, the board of Sport Ireland had no choice but to suspend funding to the FAI for this breach of funding conditions. The Minister of State, Deputy Griffin, and I confirmed that no funding from the Department's sports capital programme would be provided until the corporate governance and financial control issues had been resolved to our satisfaction. I regret that this position remains unchanged today, notwithstanding the good efforts of Sport Ireland, the Institute of Public Administration and the professional firms that have been advising the FAI throughout this process.

The initial story in *The Sunday Times* was followed by a distressing drip feed of stories in the national media outlining years of poor corporate governance, poor financial management and a complete lack of proper oversight or key controls. This culminated in a disastrous appearance of representatives of the FAI before this committee in April. The former chief executive appeared before the committee but chose not to respond to the important questions tabled by members. The members of the FAI board who attended that meeting did nothing to restore confidence. It was clear after the meeting that there was a need for a robust independent review of all financial matters and of the governance structure of the FAI. Like the members of the committee, I am dismayed that the FAI has decided not to appear here today. I made it clear some months ago that there was a need for a total clear-out of the FAI board as part of a complete break from the past. In respect of the appointment of an interim chief executive, I stated explicitly that it was not in the FAI's interests to appoint anyone associated with the old regime. I was rebuffed in both cases, as was the FAI's right, firstly by the appointment of Mr. Noel Mooney as the interim chief executive and then by the decision of the President of the FAI, Mr. Donal Conway, and Mr. John Earley to stand for re-election to the board in July. I understand that both of them have finally decided to step down, and that Mr. Earley has already resigned.

The governance review group carried out a serious review of the weaknesses in the FAI's governance which have led directly to this crisis. The group made many recommendations, all of which were accepted by the FAI. As the committee will be aware, one of the most important recommendations involved the appointment of an independent chair and three other independent directors. As we have seen, recommendation is one thing and implementation is apparently completely different. It is a source of great and ongoing frustration that, five months later, these independent directors have incredibly not yet been appointed. I have not received a satisfactory explanation of the reason for the non-completion of this process. This should have been one of the first things the FAI did to start the process of restoring trust in the association. Instead, as we approach the end of the year, we find ourselves still waiting for these vital appointments. I have been advised that the appointments will take place in the very near future. I reiterate that filling the posts of the independent chair and the independent directors must be

and is the first priority for the FAI. Thereafter, it should move without delay to launch a robust and competitive process to recruit a new independent chief executive.

The final report of the KOSI audit was received by Sport Ireland at the end of last month. I am restricted in what I can say about the KOSI report, which is with An Garda Síochána and the Office of the Director of Corporate Enforcement, ODCE. Transparency is always crucial when it comes to tackling difficulties like those of the FAI. On foot of requests from this committee for the report in full, or even a redacted version, I have taken legal advice from my Department's legal adviser and the Attorney General. They have insisted that it would be unlawful for me to furnish the committee with a copy of the report. I have also consulted An Garda Síochána, which has advised me that the matters outlined in the KOSI report are central to its investigations and those of the ODCE. The Garda has further advised me that making the report public at this time could have serious implications for any criminal proceedings subsequently brought by the Director of Public Prosecutions.

While I would very much like to share the KOSI report, and my instinct is to do so, it is clear from the advice I have been given by the Garda that even a heavily redacted copy could undermine its work. Consequently, I am not in a position to share the report with the committee today. I hope I will be able to furnish it at some point in the future when the investigations that are under way have been concluded. I am somewhat relieved to confirm to the committee that the KOSI auditors found that the State funding given to the FAI was expended for the purposes for which it was provided. This was one of the key questions we wanted the auditors to answer. The committee was clear in its desire that the audit would be forensic in nature. I am pleased to assure members that the KOSI audit team pursued a forensic approach in its assessment of the FAI's compliance with the terms and conditions for Sport Ireland grant funding.

The second key question for KOSI was an assessment of whether the association could demonstrate its fitness to handle public funds. The committee will be aware that after the board of Sport Ireland considered the KOSI audit on 27 November last, it decided against restoring funding to the FAI. While I have been advised that it would be unlawful to share the full details of the KOSI auditors' findings, I can confirm that their opinion is that the FAI is not fit to handle public funds. They acknowledge that some steps have been taken to address shortcomings, but there is a steep mountain to climb before we can reinstate funding to the FAI.

In the interim, we have been looking at all options to continue our support for those who really matter, namely, the clubs, players and coaches at the heart of Irish grassroots soccer. We have developed a scheme through Sport Ireland to support the players on the women's national team. Sport Ireland has engaged BDO Ireland to deliver funding and other support to the players, with the assurance that no public funds will be disbursed directly or indirectly to the FAI. This arrangement will enable us to continue to support the players as they seek to clinch qualification for the women's EURO 2020, while assuring taxpayers that funding will be safeguarded. I am pleased to be able to reveal to the committee that Sport Ireland has put together a similar scheme to deliver support for the youth field sports programme which has been the primary vehicle for public funding for the development of soccer. This funding will ensure continued support for 60 development officers and the programmes they deliver throughout the country. This scheme will begin next month, and if necessary will deliver funding of €2.3 million to the development officers throughout 2020. Notwithstanding the suspension of Sport Ireland funding, there has been no break in these programmes and there will be no break. Mr. Treacy will be able to provide the committee with more detail about this funding scheme. Not one euro of this funding will go to the FAI. It will not receive a single cent, directly or indirectly, until

we are fully satisfied that all weaknesses in governance and financial control have been fully addressed. The funding will be channelled through a payroll processing company which will make payments directly to the development officers themselves. That company will also ensure the payment of deducted taxes, PRSI and expenses as appropriate. Development officers play a vital role in supporting clubs throughout the country, and the last thing we want to do is disrupt their important work. Grassroots football must not suffer because of the mistakes of those at the top of the greasy pole.

As members of the committee will be aware, the Minister of State, Deputy Griffin, and I met with members of the FAI board on Monday evening. The delegation was led by the vice president and executive lead, Mr. Paul Cooke, along with the FAI's financial advisers from Grant Thornton. It was a sobering experience. As I have stated, the FAI delegation accepted the need for a full changeover of the board, and for the urgent appointment of an independent chair, directors, and chief executive without undue delay. The FAI delegation presented the stark reality of the association's financial crisis and outlined their proposed business plan to overcome these very considerable challenges. They came seeking a bailout. Deputy Griffin and I made it clear to the FAI that we cannot and will not provide it with taxpayers' money. The KOSI report makes it clear that the association is not in a fit state to receive public funds and we must respect that. However, we did tell the delegation that we would meet with UEFA to discuss the FAI's challenges. Officials in my Department are in contact with UEFA with a view to arranging a meeting as early as possible, which we expect to be held in early January.

Before concluding, Deputy Griffin and I pay tribute to the forgotten stakeholders - the FAI staff who are facing an uncertain future. The staff at the FAI have endured pay freezes and more over the past ten years, and have been shocked to learn about the previously undisclosed pay agreements with the former chief executive. They are not the ones who caused this problem and they deserve recognition, not victimhood, for their service to Irish football. Deputy Griffin and I will be meeting with SIPTU and the employees' representatives later this evening to hear their concerns. I assure them that we will continue to engage with them over the challenging days to come. I will now hand over to my colleague, the Minister of State with responsibility for tourism and sport, Deputy Brendan Griffin.

**Minister of State at the Department of Transport, Tourism and Sport (Deputy Brendan Griffin):** I am grateful for the opportunity to speak to the committee today, though it gives me no joy that we are once again discussing the difficult situation of soccer in Ireland. This should be a time for optimism, given the recent positive performances from our men's and women's national teams and the exciting prospect of hosting EURO 2020 matches at the Aviva Stadium next year. However, the FAI has not been able to move on from the crisis which began last March. I am sorry to say that we are now seeing the real impact of failures in financial management and corporate governance at the top tier of the football pyramid on those at the bottom, namely, the grassroots clubs, coaches, volunteers, players and supporters. One of the most common criticisms we heard of the FAI is that the decisions were made by a small group at the top and the wider membership never got the opportunity to have their say. Last May, the Minister and I hosted a very successful Irish football stakeholders forum in the Mansion House, which was also attended by several members of this committee. That forum brought together stakeholders from across the Irish football community to discuss the future direction of football in Ireland. There were some hysterical warnings that this would be a bad-tempered event which would not deliver anything meaningful. However, the engagement by those who attended was respectful, considered, and serious about the well-being of the sport. There was an openness to new ideas and a willingness to listen to the views of other sectors of the game.

The broader football community made it clear that they are committed to growing their sport and that they want to move past the current crisis. We in Government are committed to growing football in Ireland as well. We know the positive role it plays in Irish life in clubs throughout the country. In spite of the challenges, we have been doing all we can to support the game of soccer in Ireland.

Regarding Government assistance for capital projects, we can be very proud of the huge improvements in sports facilities in recent years. More than 10,000 projects have benefitted from sports capital funding since 1998, bringing total allocations in that time to more than €1 billion. Soccer clubs have also benefitted significantly in this regard. More than €156 million has been granted to soccer clubs, leagues and organisations. The final grants under the 2018 round of the sports capital programme were announced last month and under this round alone, more than 300 grants valued at €6.5 million were allocated to soccer clubs throughout the country. The Department is now undertaking a full review of all aspects of the 2018 sports capital programme. This review will include consideration of the timing and scale of the next round of the programme. I expect that the programme will be open for applications again in the coming months and I look forward to seeing many more excellent soccer projects from clubs in every county applying and being assisted.

This committee had a very interesting discussion with Hockey Ireland last week, which underscored the importance of State support for our amateur athletes representing Ireland in international competitions. The Minister and I are absolutely committed to supporting the players in the women's national team who make such a huge contribution as the leading exponents of women's football in Ireland. I am delighted that we have been able to develop an effective intermediary arrangement for the payment of grant funding for the women's national team. The team achieved record attendance for international home games this year and delivered some impressive performances to boot. I am confident that under the guidance of team manager Vera Pauw the team can achieve its ambition of qualifying for its first major tournament, the women's EURO 2021. As the Minister said, Sport Ireland has developed a similar arrangement for the provision of funding for development officers. I welcome this pragmatic solution and I am confident that with Sport Ireland support, development officers will be able to continue their important work with grassroots soccer.

Sport Ireland is continuing to explore every option to continue our support for soccer in Ireland. With the best will in the world, it may not be possible to find a mechanism for every programme. This is why it is so important that those at the top of the FAI commit to restoring public trust. The board must show leadership and act decisively to implement serious reform in the association's corporate governance. At the meeting earlier this week, the board members acknowledged to the Minister and myself the serious failures that occurred under the previous regime. They indicated that they accept the urgent need for reform. I trust that they will redouble their efforts to make good on their commitment to overhaul their association.

Unfortunately, when governance failures occur within individual organisations, they tend to damage the reputation of the entire sports system. It would be unfair to tar all of those involved in Irish sport with the same brush. I frequently meet the chairs, directors and chief executives of the various national governing bodies, as do the committee members, and I have great confidence in their commitment to strive always for the benefit of their members and to the values of sport such as honesty, integrity and fair play. I understand, however, that a crisis such as this one lays bare structural weaknesses which, if not addressed, can lead to difficulties in the future. The development of stronger governance is therefore very important, at both an organisation

and a system level. The need for measures aimed at better governance in national governing bodies was recognised a number of years ago and in 2017, Sport Ireland introduced the mandatory adoption by NGBs of the governance code for sport, formerly the governance code for the community, voluntary and charity sector. The governance code for sport is a principles-based code consisting of best practice for boards.

The Government's National Sports Policy 2018-2027, which the Minister, Deputy Ross, and I published in 2018, requires that all national governing bodies, NGBs, and local sports partnerships are signed up to the governance code by the end of 2021. I am pleased to say that there has been good progress with 31 NGBs and sporting bodies already fully signed up to the code, with a further 50 working towards adoption of the code. The FAI is one of those NGBs which has committed to achieving compliance with the governance code. I urge the board and the new CEO, when that person is appointed, to ensure that they continue this important work.

As the committee knows, Sport Ireland already has robust auditing arrangements in place in respect of the funding it allocates to the main field sport NGBs – the FAI, the GAA and the IRFU. Following discussions at this committee earlier this year, Sport Ireland has now strengthened the terms and conditions of its funding schemes, which will apply to grants from 2020. The changes confer full audit rights on Sport Ireland and require NGBs to disclose the remuneration packages of their CEOs to Sport Ireland. I acknowledge the good work that Sport Ireland has done in revising the terms of conditions of funding.

The most immediate tasks for the FAI are to appoint the independent chair, the other independent directors and an independent, full-time chief executive. These appointments are vital for the association to rebuild public trust and to enable the Government to once again provide funding for the FAI's programmes and capital projects. The FAI board members confirmed to the Minister and myself that they are absolutely committed to these appointments. I hope that we will see progress in the near future. I welcome the announcement by Donal Conway that he will step down at an extraordinary general meeting, EGM, in January and the recent resignation of John Earley from the board. I regret that they did not step down at the EGM last summer but I welcome the fact that they are now stepping down to make way for new leadership in the FAI.

As members will know, the FAI, at its annual general meeting, AGM, in June, agreed overwhelmingly to accept the recommendations of the governance review group and to completely overhaul the association's rule book and structures. This was a positive step and I know that progress has been made since then. That progress must be maintained if the FAI is to restore public trust.

I reiterate that no public funding will be provided to the FAI by my Department or Sport Ireland until we see evidence of real reform and a clean break with the previous regime at board and executive levels. The FAI is well aware of the steps it needs to take to bring about a situation where public funding can be reinstated. I urge it to do so without any further delays.

**Chairman:** I ask John Treacy to give his address. For the benefit of those who were not here when we started the meeting, each member will have ten minutes each to ask questions, and they may share time. In terms of rotation, it will be Fine Gael, Fianna Fáil, Sinn Féin, Deputy Catherine Murphy, Deputy Coppinger and Senator Ó Céidigh. In the second round, it will be Fine Gael, Senator O'Keeffe and Senator Mark Daly.

**Mr. John Treacy:** I am joined by my colleagues, Kieran Mulvey, chairman of Sport Ireland, and Colm McGinty, director of strategic programmes, who is sitting behind me.

This is Sport Ireland's fourth time meeting with the committee this year to discuss matters pertaining to the FAI. At each meeting, we detailed in-depth the remit of Sport Ireland, its funding relationship with the FAI and actions taken to support the FAI through its ongoing situation.

As the committee will be aware, KOSI Corporation Limited recently completed its forensic audit of the FAI, which was commissioned by Sport Ireland under the terms and conditions of grant approval. The committee will be aware that the audit report was referred by the board of Sport Ireland to An Garda Síochána. Today, I will outline to the committee that the independent forensic KOSI audit verified that taxpayer funding to the FAI, through Sport Ireland, was spent in line with the approved submissions and for the purposes it was given by Sport Ireland during the period 2015-2018. I will give an overview of Sport Ireland's role and remit under the Sport Ireland Act 2015, with a particular focus on the extent of Sport Ireland's powers with regard to the oversight of public funding invested in our national sporting organisations. I will also inform the committee of recent developments with regard to governance training in national governing bodies of Sport and the revision of Sport Ireland's terms and conditions of grant approval to enhance, on a consent basis, Sport Ireland's right to conduct audits beyond the scope of funding provided to sporting organisations.

KOSI's independent forensic audit of the FAI, which was commissioned by Sport Ireland under the terms and conditions of grant approval agreed with the FAI, has been completed. Sport Ireland received KOSI's audit report on the FAI on the evening of Tuesday, 26 November, and provided a copy of the report to the Minister for Transport, Tourism and Sport in compliance with his request and powers under the Sport Ireland Act 2015. The KOSI report was considered by the audit and risk committee and the board of Sport Ireland early on Wednesday, 27 November. The independent forensic audit completed by KOSI confirmed that the FAI spent all taxpayer funding allocated through Sport Ireland in line with approved submissions and for the purposes it was given by Sport Ireland during the period 2015 to 2018. KOSI found that the consumption of Sport Ireland grants had been safely covered by FAI expenditure in the programme areas supported. It is worth noting that KOSI's overall conclusion was similar to previous internal audits of the FAI completed on Sport Ireland's behalf in 2010, 2014 and 2016, which also found that Sport Ireland funding to the FAI was fully accounted for and expended for the purposes in which it was intended. The board of Sport Ireland subsequently referred the audit report to An Garda Síochána, following consideration of legal advice, which included senior counsel input. As such, for legal reasons, Sport Ireland is not in a position to publish the audit report or provide any further information on it at this time. Our legal advice is that Sport Ireland cannot discuss the report or its contents in public, including with the Joint Committee on Transport, Tourism and Sport.

Following consideration of the KOSI report, the board of Sport Ireland agreed that the suspension and withholding of funding to the FAI remains in place. However, the board approved the establishment of a process, with the consent of the FAI, to meet with the FAI on an ongoing basis to discuss governance and financial issues and to support the FAI on its reform agenda. This is an essential requirement to fulfil as part of the pathway towards restoration of Sport Ireland funding to the FAI. Sport Ireland has written to the FAI in this regard. The status of funding to the FAI continues to be reviewed by the board of Sport Ireland on an ongoing basis. The committee will be aware that in November, the board of Sport Ireland approved a payment of 2019 grant funding for the women's senior national football team programme. The grant of €195,000 will be paid by Sport Ireland to accountancy firm BDO, which will oversee the disbursement of the funding in line with terms and conditions.

The Sport Ireland Act 2015 confers considerable authority in Sport Ireland as the statutory body for the development of sport in Ireland. The functions of Sport Ireland are prescribed in section 8 of the Sport Ireland Act and include powers to develop participation in sport and high performance sport, eliminate doping in sport as the national anti-doping agency, develop coaching, develop guidelines on the protection of children in sport, and the development of the Sport Ireland campus. Sport Ireland must adhere to the Sport Ireland Act 2015 and cannot act beyond its legal powers or authority as prescribed by the Act. As a statutory development agency, Sport Ireland seeks to develop strong sports organisations and recognises the considerable public interest in a successful Irish sports sector. Sport Ireland is responsible for the investment of public money in sport and the subsequent oversight and accountability of this investment.

From previous meetings, the committee is aware that Sport Ireland is not a regulatory body and Sport Ireland has no regulatory, investigatory or enforcement powers relating to corporate governance in sporting organisations. This was discussed at length with this committee during meetings earlier this year. The committee is also aware that there is no provision in the Sport Ireland Act that gives Sport Ireland statutory authority to audit or inspect the books and records of a body in receipt of Sport Ireland funding. This has been confirmed by our legal advisers. The committee is aware that funded organisations sign up to Sport Ireland's terms and conditions of grant approval, which permits audit on a consent basis.

It is important to note that Sport Ireland's terms and conditions of grant approval clearly stipulate that all funded bodies must have in place a valid tax clearance certificate before any funding is paid. Sport Ireland can confirm it received all necessary tax clearance documentation from the FAI each year, including in 2019. Furthermore, Sport Ireland's terms and conditions of grant approval require all sporting bodies to submit to Sport Ireland a copy of its annual financial statements, fully audited by a registered auditor in accordance with Irish generally accepted accounting principles, GAAP, accounting standards. Sport Ireland places fundamental reliance on the statutory auditor's signed audit opinion.

The terms and conditions explicitly state that the accounts furnished to Sport Ireland must "include all financial transactions of the organisation during the course of the accounting year in question". It is important to remind the committee that primary responsibility for preparation of any company's financial statements rests with that company's management and board of directors. The FAI board is responsible for risk management within the association and for ensuring that the FAI keeps adequate accounting records. Corporate governance practice and company law require that the directors of a company must not approve accounts unless they are satisfied they give a "true and fair view" of the financial position. Sport Ireland relies on the objective, independent and professional judgment of the statutory auditors whose work was carried out in accordance with international standards on auditing. Each year the FAI's financial statements were given a clean, unqualified opinion by the external auditor Deloitte. The audit opinion stated that the auditors had not identified any material misstatements and that the financial statements, in the auditor's opinion, gave a "true and fair view" of the financial position of the FAI.

It is clear from the filing of the H4 notice in April and the restated and revised FAI financial statements that this was not the case. Undeclared transactions of serious concern and unrecorded liabilities for a number of years only came to full public attention on the recent publication of the FAI's 2018 financial statements approximately 12 days ago. Oversight of compliance with company law is a matter for the Office of the Director of Corporate Enforcement, ODCE. Sport Ireland notes that the ODCE has extensive investigative and enforcement powers and we are aware that its investigation of the FAI, which we understand is serious, is ongoing.

Sport Ireland places a high premium on good governance and encourages high standards in governance from all funded bodies. As a development agency, it is our aim to provide leadership in this area, empowering sport organisations to take responsibility for their own governance and meet the challenges they face. We have previously outlined to the committee the range of governance training, seminars and supports provided by Sport Ireland for those in key leadership and governance roles in sporting organisations. Although Sport Ireland promotes good governance in sporting organisations, we cannot enforce good governance, and it is up to governing bodies themselves to do that. In accordance with a key corporate governance principle, the board of any national governing body is collectively responsible for leading and directing the organisation's activities and for ensuring that effective systems of internal control are in place.

The committee is aware from Sport Ireland's attendance here in July this year that the board of Sport Ireland has approved revised terms and conditions of grant approval for all Sport Ireland-funded organisations to come into effect for 2020. To recap for the committee members, the amendments to the terms and conditions include strengthening the audit clause to explicitly confer full audit, inspection and investigative rights on Sport Ireland for every funded body, and the right to audit, inspection or investigation may also extend to any matter of concern to Sport Ireland that arises in respect of the organisation and not just relating to the use made by the organisation of the Sport Ireland grant funding. The amendments also include making it an explicit condition of funding that Sport Ireland-appointed auditors are entitled to request and receive all the information and explanations they require for the proper performance of their job and making it a condition of funding for all national governing bodies of sport and local sports partnerships to provide details of the full remuneration packages for their chief executives or equivalent positions to Sport Ireland. Additionally, Sport Ireland will need to be provided with independent verification that each organisation is fully compliant with the code of practice for good governance of community, voluntary and charitable organisations in Ireland by the end of 2021. Failure to co-operate fully with any audit, inspection or investigation on a timely basis will entitle Sport Ireland to suspend or withhold grant funding or claim repayment of any grants previously advanced by Sport Ireland. The board of Sport Ireland is satisfied that these measures are appropriate and necessary in light of the recent learnings from the FAI case. We are confident that the additions will further strengthen Sport Ireland's authority in respect of overseeing public funds.

The Government's national sports policy, published in July 2018, tasks Sport Ireland with overseeing a process whereby all national governing bodies of sport and local sports partnerships adopt the governance code by the end of 2021. As reported at the meeting in July, Sport Ireland has taken over the governance code for community, voluntary and charitable organisations as a governance code for sport. This follows the decision of the governance code working group to retire the code. To date, 31 Sport Ireland-funded bodies have fully adopted the code and another 50 are on the adoption journey.

Following recent developments at the FAI, Sport Ireland considered new ways to build and sustain governance capacity and capability within the national governing bodies and local sports partnerships. Sport Ireland invited applications from senior executives and board members within national governing bodies of sport and local sports partnerships to undertake a level 9 professional certificate in governance. This certificate is delivered by the Institute of Public Administration and accredited by the National University of Ireland. There were 60 applications received from national governing bodies and local sports partnerships and, following a shortlisting process, 51 applicants were selected for participation in the programme from a total

of 35 sporting bodies. It is a one-year part-time programme that addresses a key area of concern to executives, boards and committees across the sport sector.

This accredited programme examines governance as a set of structures, arrangements, processes and procedures. It focuses on the principles and culture that ensure organisations are properly directed and controlled. The course covers the roles and responsibilities of governing bodies and boards, the performance and accountability of directors and executives, assurance arrangements, fiduciary responsibilities, distinction of executive and non-executive functions and reserved functions of boards, strategy, finance and leadership. On completion of the course, graduates will have authoritative knowledge of the principles and practices associated with proper direction, decision-making and control in organisations. The programme commenced on 15 November this year. The committee will recall from previous meetings that the FAI established an implementation oversight group tasked with overseeing implementation of the 78 recommendation of the governance review group report conducted by the IPA. The effective ongoing operation of the implementation oversight group as set out in the governance review group's report is of vital importance on the journey to reforming FAI governance, and restoring public trust and confidence in the FAI. The association recently provided an update on the work of the implementation oversight group. It reported that 40% of the recommendations have been implemented, including 11 priority actions.

I will summarise the information given in this statement. The KOSI audit independently confirms that the FAI spent all Sport Ireland funding in line with approved submissions and for the purposes it was given by Sport Ireland during the period 2015 to 2018. Sport Ireland is the statutory development agency for sport. Under the Sport Ireland Act 2015, Sport Ireland is not a regulatory body, and it has no regulatory, investigatory or enforcement powers in respect of corporate governance in sporting bodies. No provision of the Act that gives Sport Ireland statutory authority to audit or inspect the books and records of a body in receipt of its funding. This has been confirmed by our legal advisers. The board of Sport Ireland has approved revised terms and conditions of grant approval for all Sport Ireland-funded organisations to come into effect for 2020 funding. This includes the strengthening of the audit clause to explicitly confer full audit, inspection and investigative rights on Sport Ireland for every funded body.

**Chairman:** I thank Mr. Treacy. We move to the members of the committee. As agreed, everyone will have ten minutes. If members wish to share their time, they should let me know. I remind everyone that the KOSI report is with An Garda Síochána and the Director of Corporate Enforcement. I ask every member to be cognisant of that in order that we do not prejudice anything that might arise by our comments today, notwithstanding anything already in the public domain. I ask everyone to ask a question and get an answer, if possible.

**Senator John O'Mahony:** I thank the Ministers and Sport Ireland for their opening remarks. I will begin by addressing the Minister. Based on his presentation to the committee, does he agree that the only thing that has changed since the FAI was before the committee last March is the revelations of the mismanagement of the organisation over the years, their audits and so on? I take from his presentation that the implementation of reform in the FAI is painstakingly slow. I get the impression it is being brought kicking and screaming to implement reform. The Minister stated: "I have not received a satisfactory explanation as to why this has not yet been completed". The independent directors have not been appointed. If he has not had a satisfactory explanation, what explanation did he get as to why they were not appointed before now?

**Deputy Shane Ross:** I agree with most, probably all, of what the Senator said. The slow

progress - and there has been some progress but very little - on the important issues is unbelievably frustrating. What should have been done with great urgency first after the resignation of some directors last March, which we welcome, was the process of appointing independent directors.

**Senator John O'Mahony:** I am sorry but I am time constrained. What explanation did they give?

**Deputy Shane Ross:** The reason for the delay was that they were waiting for various staging points, such as AGMs and EGMs. The most recent excuse given was that they wanted to wait for the KOSI report and that any independent directors might want to see that. The excuse being given now is that they are examining the KOSI report and those who have been chosen are apparently deciding whether they will accept the position if offered as the situation reveals itself. I do not believe this is a good reason for not making the appointment of a new chief executive or starting the process or retaining the current chairman. The key to change and the FAI coming into a new corporate governance regime and the FAI's credibility is that those independent directors must be appointed. It is now six months later and they have not been. The reasons given vary but the delay is unacceptable. We believe the independent directors are the key to unlocking progress and reform, which is not happening.

**Senator John O'Mahony:** The Minister has outlined how the funding is to be restored to grassroots soccer. Is there a vehicle to distribute all the funding, which, I think, amounts to €2.9 million, to the grassroots? That is going a different route, but has any other funding been withheld? I am thinking of Euro 2020. It looks as though this may run into the sand. Will there be funding for the four games in Ireland at the Aviva stadium? Is some of that funding under threat?

**Deputy Shane Ross:** I have no indication that it is. The presentation the FAI made to us last Monday night listed the possible dangers of a disaster situation which included Euro 2020. We have no indication that the funding has been withheld from that or that there is any delay. We are absolutely adamant on the €2.9 million to which the Senator referred. That will be channelled through various independent bodies and there will be absolutely no gap in funding whatever. They will not lose out.

**Senator John O'Mahony:** I thank the Minister for his brevity. Finally, how much did the FAI seek from the Minister on Monday as a bailout?

**Deputy Shane Ross:** It looked for various scenarios. It looked for €18 million.

**Senator John O'Mahony:** €80 million?

**Deputy Shane Ross:** They looked for €18 million.

**Deputy Ruth Coppinger:** That is €18 million for now. It could be €80 million.

**Deputy Shane Ross:** It could. One never knows what it is going to be. The FAI looked for €18 million or alternatively a guarantee of that. It presented various scenarios. That was the figure it named and it was shocking.

**Deputy Brendan Griffin:** On Euro 2020, our level of preparedness is among the best of all host cities. The Department has assigned a principal officer who is dedicated to working on it. On everything in our control, we are well on top of hosting those four games and we are

confident that those games will not be at risk. It would be a massive blow to the country, from the Exchequer point of view and otherwise.

**Senator John O'Mahony:** Briefly, as I know that it is not possible to go into much detail, can Mr. Treacy and Mr. Mulvey say on what basis the KOSI report was referred to An Garda Síochána? Was it on legal advice or was it when they saw the report?

**Mr. John Treacy:** When we got the report, we read it and immediately gave it to our legal advisers. We got senior counsel advice with regard to it. That is the legal advice that came back to the board. The board then referred it to the Garda the next day.

**Senator John O'Mahony:** Mr. Treacy explained how Sport Ireland is not a regulatory body in a sense. I find it strange that the 2017 figures from the auditors were cleared without a problem or a health warning. There is a health warning on the corrected figures released a few weeks ago, however. That is difficult for the general public.

**Mr. John Treacy:** I agree with the Senator. It is a strange one. We can only accept what the auditors tell us. It is a serious issue.

**Senator John O'Mahony:** Would Mr. Treacy like to see the procedures changed. This is the second time this has occurred. A couple of years ago we had the Olympic Council. We have all quoted that. I agree with Mr. Treacy's assessment that the Olympic Federation of Ireland has been a role model of what can be done to correct such issues. Could this happen again, however, with other governing bodies?

**Mr. John Treacy:** I could never guarantee it would not happen again. We are dealing with 65 organisations. With the revised terms and conditions, we can do a deeper dive with our own auditors having a good look at corporate governance functions. We do it with the smaller organisations which we fund over 50%. We have done this for some time. However, for bodies that we give 5% or 10% of their funding, we were pushed back on that.

**Senator John O'Mahony:** If Sport Ireland requested the Minister to give it stronger powers to avoid what we have seen over the past several years with two sporting governing bodies, would he give them?

**Deputy Shane Ross:** If Sport Ireland came to us with a case that it thought it should have greater powers in this regard, we would, of course, consider it.

**Chairman:** One key point is that the FAI had no internal audit function.

**Senator John O'Mahony:** Sport Ireland?

**Chairman:** No, the FAI.

**Mr. John Treacy:** That was covered in the IPA report.

**Chairman:** Would Sport Ireland insist on this for all organisations?

**Mr. John Treacy:** Absolutely.

**Chairman:** That is not in the list of changes, however.

**Mr. John Treacy:** Yes.

**Chairman:** I suggest that it is added because it protects Sport Ireland.

I call Deputy MacSharry. Do you wish to share time?

**Deputy Marc MacSharry:** Certainly not.

**Chairman:** I see your colleagues have left.

**Deputy Marc MacSharry:** I welcome everybody.

I am going to be quick. Where a “Yes” or “No” answer applies, will the witnesses opt for it as opposed to talking down the clock?

For all of us it is unacceptable what happened. All the witnesses have read the KOSI report. We have not. We are questioning in a vacuum as a result. The witnesses’ legal advice is exclusive to them, meaning we do not get to say whether they are right or wrong. The Minister, the Department and Sport Ireland regularly refer to KOSI. This is a difficult position for us to be in and it is not acceptable.

When was the last time the board of Sport Ireland met the FAI?

**Mr. John Treacy:** I would have met the FAI regularly.

**Deputy Marc MacSharry:** No, that is not the question.

When was the last time the board of Sport Ireland met the FAI? Was it, for example, as far back as 2011?

**Mr. John Treacy:** No.

**Deputy Marc MacSharry:** When was it?

**Mr. John Treacy:** A delegation for the board, including Kieran Mulvey, met the FAI in March or April.

**Deputy Marc MacSharry:** Is it correct that the full board does not meet the organisation?

**Mr. John Treacy:** We invite the NGBs in.

**Deputy Marc MacSharry:** When was the last full board meeting with the FAI?

**Mr. Kieran Mulvey:** It was sometime around 2015 or 2016.

**Deputy Marc MacSharry:** We are talking years ago.

I will be guided by the Chairman if he feels the next question should not proceed.

**Chairman:** The Deputy is putting me in a difficult spot. I hate saying “No” to Fianna Fáil.

**Deputy Marc MacSharry:** My jersey is outside the door. I am a member of the committee.

**Chairman:** I only said that as a joke

**Deputy Marc MacSharry:** There have been some press reports and it has been alleged to me that following the publication of *The Sunday Times* article back in March, the FAI had an

impromptu board meeting in Gibraltar at which the then CEO tendered his resignation and left the meeting. It is further alleged to me that he called Mr. Mulvey and following that returned to the meeting and resumed the position as CEO. Is that true?

**Mr. Kieran Mulvey:** No, that is not true the way the Deputy has described it. John Delaney rang me to inform me as a courtesy.

**Chairman:** Sorry, I just want to be clear. I have no issue with Mr. Mulvey answering the question.

**Mr. Kieran Mulvey:** I have no problem.

**Chairman:** I am conscious of an ongoing criminal investigation. We are advised to not name names.

**Deputy Marc MacSharry:** I did not.

**Chairman:** No, I am only trying to make sure we do things properly. I am not stopping anyone. That is just a caution I have been asked to give on legal advice.

**Mr. Kieran Mulvey:** Mr. Delaney rang me to inform me he was taking up this vice president post. He was leaving his position as CEO. He was informing me as a courtesy. I do not know whether he did or not but he was saying that he had either rung or was ringing the Minister to inform him of the same.

**Deputy Marc MacSharry:** Did he ring the Minister?

**Deputy Shane Ross:** He did. He rang me sometime around that evening. I had a short conversation with him. It was about 90 seconds long.

**Deputy Marc MacSharry:** What did the Minister say?

**Deputy Shane Ross:** I said, "Thank you for telling me".

**Deputy Marc MacSharry:** I would love to have KOSI.

We welcome the commitment to return funding through the company, BDO. Does the Sport Ireland Act permit that?

**Mr. John Treacy:** Yes, it does.

**Deputy Marc MacSharry:** Some of that funding for development officers and the programmes would come from local authorities, some from the FAI directly and the balance from the State. Where is the rest of the money coming from? Is Sport Ireland funding it all?

**Mr. John Treacy:** No, we are not funding it all. We will provide 38% to 40% of it.

**Deputy Marc MacSharry:** Who is paying the rest?

**Mr. John Treacy:** The FAI is paying it.

**Deputy Marc MacSharry:** Are the local authorities divvying up their 50%?

**Mr. John Treacy:** Yes, there is some money from the local authorities.

**Deputy Marc MacSharry:** They are all on board with this new proposal.

**Mr. John Treacy:** Yes, this was negotiated with the FAI last week.

**Deputy Marc MacSharry:** What about the local authorities?

**Mr. John Treacy:** This is between the FAI and ourselves at the moment. It is up to the FAI to take the local authorities with them but it will.

**Deputy Marc MacSharry:** Who will be the employers of the development officers?

**Mr. John Treacy:** The FAI is the employer of the development officers. We are not the employers.

**Deputy Marc MacSharry:** Are there any superannuation implications to the set-up? I understand PRSI and so forth will be paid by BDO.

**Mr. John Treacy:** It will all be done by BDO.

**Deputy Marc MacSharry:** The FAI will pay BDO. The local authorities will pay the FAI which will in turn pay BDO.

**Mr. John Treacy:** That is my understanding.

**Deputy Marc MacSharry:** What about travelling expenses?

**Mr. John Treacy:** That can be done by a payroll processing company.

**Deputy Marc MacSharry:** Is the Minister content to let the FAI go into liquidation or examinership?

**Deputy Shane Ross:** I certainly do not want to see that happening. The implications of that could be serious. I would far rather see a settlement whereby it rises from the ashes. That is what we would aim to see in the interests of Irish football.

**Deputy Marc MacSharry:** Have the Department or Sport Ireland taken the initiative to contact the IRFU to see if it is interested in taking over the €29 million debt relevant to the stadium and the FAI's stake in it?

**Deputy Shane Ross:** Not that I am aware of.

**Deputy Marc MacSharry:** Would the Minister take the initiative?

**Deputy Shane Ross:** There is a meeting tomorrow.

**Deputy Marc MacSharry:** I presume that will be looked at. Up to €29 million of debt disappearing plus the associated servicing costs would presumably improve the FAI's position.

**Mr. Kenneth Spratt:** We will see what the IRFU has to say tomorrow.

**Deputy Marc MacSharry:** If the IRFU is not interested and third parties, such as UEFA or FIFA, cannot be identified to take it on, would the State look at taking the stake in the stadium?

**Deputy Shane Ross:** No proposal has been made to the State about that at this stage.

**Deputy Marc MacSharry:** It is actually a home-grown proposal that comes directly from

me. I am asking the question.

**Deputy Shane Ross:** I would discuss anything with Deputy MacSharry but at this stage we have not even considered anything like that.

**Deputy Marc MacSharry:** If it gets to it, is it something we are prepared to consider?

**Deputy Shane Ross:** I have no wish to lead Deputy MacSharry up the garden path about anything or to support any particular proposals. I have said that in this situation - the FAI came to us the other day with proposals - if there are reasonable proposals of any sort on the table, we are not going to reject them. However, we have not considered anything along that line at this stage.

**Deputy Marc MacSharry:** Nothing is agreed until everything is agreed, presumably, so it could be on the list.

**Deputy Shane Ross:** I am not going to give Deputy MacSharry that sort of comfort.

**Deputy Marc MacSharry:** I am conscious that something needs to be done. I believe we are heading towards Bank of Ireland putting up a "For Sale" sign on the Aviva stadium. Obviously, no one wants to see that because we are all here to secure Irish football if we can. While I appreciate that the Minister will not answer, I respectfully suggest that he add that option to the list of considerations because it may well be where we end up. As much as it is unpalatable for the State and for all of us, it is potentially a realistic option. It may not be our preference, but we may need to consider it if the IRFU or others do not step up.

**Deputy Shane Ross:** I thank Deputy MacSharry for being constructive. Reasonable suggestions have to be considered. This is a crisis and they have to be looked at.

**Deputy Marc MacSharry:** Dead or dry cash, for example, providing €18 million on the never-never, is something we would all be against. I would hate to see that but if it gets to the stage where nothing else can be done, the stadium is a tangible asset that the people would be happy to own.

I am a little confused. A previous speaker referred to the independent directors. We all do our own research and we try to pick up information from the press corps, people we know in the FAI, Department officials and so on. There seems to be total confusion with regard to the independent directors. There are people in the FAI who claim not to know the names of the independent directors and that they were shown only profiles of independent directors rather than names. They say they are screaming for the independent directors to be appointed and are not delaying these appointments. I am told that the independent directors have been selected and are engaging with Grant Thornton and getting financial briefings before taking up their positions. None of us knows the independent directors but the clear public perception is that the FAI is blocking the appointment of independent directors. The Minister's words today very much suggest that is the case. I have access to Department officials, FAI staff and colleagues in the press but I still do not know who is blocking or delaying the appointment of the independent directors.

**Mr. John Treacy:** I will respond to the question on what I understand about the independent directors.

**Deputy Marc MacSharry:** Does Mr. Treacy know their names?

**Mr. John Treacy:** No.

**Deputy Marc MacSharry:** Do any of the witnesses know their names?

**Mr. John Treacy:** I know some of the names that are being mentioned.

**Deputy Marc MacSharry:** Who is appointing them?

**Chairman:** This is a very good question and we are not getting a clear answer.

**Mr. John Treacy:** If I could answer the question, that might be the way to approach this. Amrop has gone through an exhaustive process. It has identified a host of candidates who put their hands up for this. It has identified a number of people who would be suitable for the board and for committees within the FAI. That process is near completion. I was hoping that a nominations committee might be put together this week. That is a critical aspect. They are, therefore, very close. The independent members wanted to see the finances of the organisation. If someone is going on a board-----

**Deputy Marc MacSharry:** I get that.

**Mr. John Treacy:** -----he or she will want-----

**Deputy Marc MacSharry:** I have a final question, which I want to tease it out.

**Chairman:** I want this question properly answered first.

**Mr. John Treacy:** Someone going on a board needs to know what he or she is taking on. That is a critical question. Getting the accounts across the line is critical to that. Briefings from Grant Thornton have taken place with independent members in the past week or so.

**Deputy Marc MacSharry:** Who is delaying this?

**Mr. John Treacy:** The process is ongoing.

**Deputy Marc MacSharry:** Is it fair to say no one is delaying it?

**Mr. John Treacy:** No one is delaying it.

**Deputy Marc MacSharry:** Will the Minister explain why it has been said that people are delaying it?

**Deputy Shane Ross:** The process should have started last July.

**Deputy Marc MacSharry:** Is it fair to say that the existing six directors, including the executive lead of the FAI, are not delaying the appointment?

**Deputy Shane Ross:** I do not know what is actually happening at this stage. I am not hands-on in that regard. What I am saying is this should have happened far earlier. There is no hurry to it.

**Deputy Marc MacSharry:** That is fair enough.

**Deputy Shane Ross:** We want to see it accelerated.

**Deputy Marc MacSharry:** Due process is taking place and there is no delay. That is what

Mr. Treacy seems to be suggesting. He does not know the names of the independent directors. The Minister is unsure and says this should have happened months ago - and so say all of us.

**Mr. John Treacy:** For clarity, I know some of the names.

**Deputy Marc MacSharry:** It is still not clear who is delaying the process. The Minister is telling the public that it is being delayed. The position is still not clear.

**Chairman:** If I can be helpful, the Deputy should come back to that issue later.

**Deputy Marc MacSharry:** I have one final question.

**Chairman:** The Deputy's time is up. I am not being rude.

**Deputy Marc MacSharry:** It is one final question. Mr. Treacy needed time to answer.

**Chairman:** I have to be fair to others.

**Deputy Marc MacSharry:** I promise I will not come back in.

**Chairman:** I asked Senator O'Mahony to conclude after nine minutes. For how long has the Deputy been speaking now? He has been speaking for 13 minutes. I want to be fair to everyone.

**Deputy Ruth Coppinger:** At what time does the Minister have to leave?

**Deputy Shane Ross:** I will stay for as long as members wish.

**Chairman:** We have plenty of time but I want to make sure everyone gets a fair innings.

I want to make one point to Mr. Treacy. I received correspondence, which I presume all members received, stating that the independent directors had been identified, the chairperson was looking at all the financial information and the other members were looking at how this would impact on their role if they took up these roles. Is that fair?

**Mr. John Treacy:** Absolutely. That is a fair answer.

**Chairman:** There is another point. The Minister is right that this process should have started a long time ago. If anything is holding it up now, I suppose it is due process, albeit a late due process.

**Mr. John Treacy:** It is a process.

**Chairman:** Someone is going to take over the role of chairperson, which is an onerous task. The individual in question has to be sure that he or she is able to perform the role and must also have all the facts. We do not have all the facts. That is the problem.

Deputy O'Brien is next. I will call time after nine minutes.

**Deputy Jonathan O'Brien:** I wish to clarify one point in the statement made by the Minister of State, Deputy Griffin, because I had not heard about it before. I heard that the previous board had to step down before public funding was to be restored. The Minister of State referred to "the previous regime at board and executive levels". Are we now saying there are individuals at executive level with connections to the old regime who have to stand down too before public funding is restored? Have I misread what the Minister of State said?

**Deputy Brendan Griffin:** I do not quite get where the Deputy is coming from.

**Deputy Jonathan O'Brien:** The Minister of State stated: "I reiterate that no public funding will be provided to the FAI by my Department or Sport Ireland until we see evidence of real reform and a clean break with the previous regime at board and executive levels."

**Deputy Brendan Griffin:** We are looking for a new chief executive without connections to the past.

**Deputy Jonathan O'Brien:** We are not talking about people at other levels.

**Deputy Brendan Griffin:** I was referring to the chief executive in particular.

**Deputy Jonathan O'Brien:** Is it only the chief executive?

**Deputy Brendan Griffin:** We want a new, fresh chief executive who does not have past ties to the organisation.

**Deputy Jonathan O'Brien:** We are not talking about employees.

**Deputy Brendan Griffin:** No. The great tragedy in this is that there are some excellent employees in the FAI.

**Deputy Jonathan O'Brien:** I wanted to clarify that because it was unclear.

**Deputy Brendan Griffin:** That is why I referred to not tarring everyone with the one brush. There are people whose jobs are at risk now. They are facing into terrible uncertainty going into Christmas. It is important to state that some excellent people are working in the organisation as well.

**Deputy Jonathan O'Brien:** For funding to be restored, it is only board members who have no connection to the previous-----

**Deputy Brendan Griffin:** We need a fresh chief executive without connections to the past regime and a clean board that is able to come in and help us. However, there are also many other things that need to happen to get restored.

**Deputy Jonathan O'Brien:** In terms of personnel, it stops at board level. Is that right?

**Deputy Brendan Griffin:** That is certainly where it needs to start. There may be others but that is certainly-----

**Deputy Jonathan O'Brien:** If there needs to be others, can the Minister of State specify at what level we are talking about?

**Deputy Brendan Griffin:** It is the chief executive officer in particular for now.

**Deputy Jonathan O'Brien:** If a new board is put in place with no connections to the old regime, funding will be restored.

**Deputy Brendan Griffin:** No, we cannot say that because there are other things that need to happen. We need to be fully confident, if we are directing money directly to the FAI, that that money will not disappear into a black hole of debt, for example, or it will not go into overdrafts. We need to ensure that public moneys are protected and that is why we have looked for the alternative media to channel the funding to the front line, as we discussed earlier.

**Deputy Jonathan O'Brien:** I am labouring the point but it is important. We are saying there may be other individuals within the organisation, who are not at board level, who may have connections to the previous regime, who may have to go in order for funding to be restored.

**Deputy Brendan Griffin:** That is a possibility. We are dealing with a hypothetical situation here. At the moment, from what we know now, what we are saying is that we need a new chief executive.

**Deputy Jonathan O'Brien:** In regard to the Minister, Deputy Ross, and grassroots football, I welcome the announcement today and the clarification by Mr. Treacy that the FAI will remain the employer and there will be no break in employment contracts, which is important. The other aspect is that, obviously, we can do something but we cannot do something for everyone. We have managed to do something for the women's team and we have managed to do something for the development officers. I come at it from a different perspective, as a League of Ireland fan. If the FAI goes into examinership in the morning, or in April, May or June, it is my understanding that the league ceases - it is gone, and there is no League of Ireland. The clubs will remain but they will not have a league to play in and there will not be any European qualification places available because they are given to the governing body and not directly to the clubs.

Have we done any work on possible scenarios? In the eventuality that the FAI had to go into examinership, is it possible to continue the league? If it does not go into examinership and just goes under, does the league automatically collapse? What happens to those qualification places? What happens to any money that may be outstanding to League of Ireland clubs? If it does go into examinership, are penalties imposed on the FAI in terms of qualification places for European competitions which will be passed on to League of Ireland clubs? Have we done any analysis on what the impact on the League of Ireland will be? While I agree grassroots football is critical and we should be doing everything to protect it, there are many jobs within League of Ireland clubs which could potentially be at risk if the FAI went under.

**Deputy Shane Ross:** We have not done any detailed analysis on that whatsoever. When we met the FAI on Monday night, Grant Thornton was there as well and it had done some work on the consequences of examinership. I do not know how far it had gone but I asked Grant Thornton to share it with us, and it said it will share it with us in the next week or so. I would be happy to let the Deputy know the result of that. My guess is that if the FAI goes, the League of Ireland goes the same way. I think that is absolutely inevitable but it is something which we would have on the agenda for our meeting with UEFA as well because it would have implications for it too. We are going to, obviously, do some serious analysis of the consequences of examinership and liquidation, but that is what we want to avoid at all costs, of course. We do not want to see, above all, grassroots football and League of Ireland football suffering as a result of what happened.

**Deputy Jonathan O'Brien:** I agree we all want to avoid that but we also have to prepare for that eventuality being a possibility as well.

**Deputy Shane Ross:** Yes. Those preparations will take place and are taking place, and Grant Thornton said it would be looking at the prospect of examinership for the FAI, which it says it will share with us. I will share it with the Deputy when we get it.

**Deputy Jonathan O'Brien:** In terms of the Minister's discussions with the FAI and its

request for an €18 million bailout, did it offer anything in exchange for that?

**Deputy Shane Ross:** No, not really.

**Deputy Jonathan O'Brien:** Nothing at all.

**Deputy Shane Ross:** Not really.

**Deputy Jonathan O'Brien:** "Not really" - is that nothing?

**Deputy Shane Ross:** There was vague talk about its assets but we did not go into any detail. To be honest, once its representatives mentioned the figure, we made it absolutely clear to them they were not going to get a bailout, they were not going to get funding and that KOSI had said they were not going to get funding, and that was it. Going further with that discussion would have been pointless.

**Deputy Jonathan O'Brien:** Was there any discussion around where they are in terms of their efforts to restructure their finances?

**Deputy Shane Ross:** I am trying to recall. Not in any great detail. We realised they are very heavily indebted to the banks at this stage. When someone comes looking for a bailout, that is the only card they really have to play. The bottom line was they told us the situation was pretty dire and there is no point in going into detail at that stage if that is the starting point.

**Deputy Jonathan O'Brien:** Without that €18 million, are they viable?

**Deputy Shane Ross:** I cannot make a judgment on that. I think they are currently a going concern but their situation is precarious.

**Deputy Jonathan O'Brien:** Do we know from the Minister's discussions whether they have eaten into any future revenue? I am seeing reports that UEFA was financing them and giving them a hand here, there and everywhere, and some reports suggest they have got advances on television money and future revenues. Do we know if that is true or are there any discussions around that? Obviously, we know what the accounts were because they have published them but are there any discussions on future revenue?

**Mr. John Treacy:** That is part of their negotiations with UEFA. We know that some revenues from the future have been forwarded to the FAI in 2019, so that has happened.

**Deputy Jonathan O'Brien:** Do we know how much or to what extent? Obviously, that impacts on its ability to trade.

**Mr. John Treacy:** The figure is around €6 million, if my memory is right. While I could be wrong, I think it is in that vicinity.

**Deputy Jonathan O'Brien:** Did Mr. Treacy say the full board of Sport Ireland has not met with the FAI since 2015?

**Mr. John Treacy:** That is right.

**Deputy Jonathan O'Brien:** Why not, given where we are?

**Mr. John Treacy:** Let me put it this way. The board meets ten times a year. We bring in NGBs maybe five or six times a year and it rotates around. The last time the FAI came in was

2015 and it made a presentation to the full board.

**Mr. Kieran Mulvey:** I think it was 2015. I am not absolutely sure but it is around that period. Our process and procedure is to invite presentations from governing bodies, so we would have had in the FAI, the IRFU, the GAA, Cricket Ireland, Athletics Ireland, Rowing Ireland and so on. It is a rotation thing to allow them to make a presentation to the board and then, on separate occasions, a special grant may be required where we would require the board to meet.

**Deputy Jonathan O'Brien:** Surely, given everything-----

**Mr. John Treacy:** I would add one piece to that. Last year, 2018, we invited them in twice but they were not able to come.

**Deputy Jonathan O'Brien:** That is important.

**Mr. John Treacy:** That is important.

**Deputy Jonathan O'Brien:** I would find it extraordinary that the board of Sport Ireland did not meet the board of the FAI, given everything that had happened.

**Mr. John Treacy:** They were invited in twice last year.

**Deputy Jonathan O'Brien:** That is an important clarification

**Mr. John Treacy:** It is, yes.

**Deputy Jonathan O'Brien:** Not only are they refusing to appear before Oireachtas committees, they even refused on two occasions to meet with the board of Sport Ireland last year.

**Mr. John Treacy:** Yes.

**Chairman:** I call Deputy Murphy.

**Deputy Catherine Murphy:** We would all agree that what was really unfortunate, when the board changed, was that some members remained. That has caused confusion and postponed the recovery that should have happened through a transitional arrangement. In his opening statement the Minister said that the FAI is not fit to handle public funds. That was the finding of the KOSI audit. It acknowledged that some steps had been taken to address the shortcomings but there was a steep mountain to climb before funding could be reinstated to the FAI. I accept that we cannot see the KOSI report and I am not looking for it, but for the recovery to happen we need to know what the shortcomings are. Surely it will be possible to get that. Otherwise we will not be able to map out a route to recovery for the FAI. Perhaps Sport Ireland and the Minister will address that. That finding is a big statement. We are trying to work in the dark here. Is it possible to get that?

**Deputy Shane Ross:** It was certainly my intention that it should be released and published in full. That was my objective. When trying to find a way of doing that, and that is still my intention, I met a brick wall from the Garda, the Attorney General and others. The Deputy understands the reasons, and I will not waste the committee's time by going into it. If I say anything about the reasons, I could tread into very dangerous territory. There could be some way of looking at publishing some sort of redacted summary of what is going on here. That is only a possibility. I do not under any circumstances want to give any hope. That is as far as I can go.

**Deputy Catherine Murphy:** Fine.

**Deputy Shane Ross:** This is important. I will not promise that but it is an avenue which I will pursue. It is important that as much information as possible can come out without prejudicing legal proceedings. The Deputy is right about that. I cannot allow those proceedings to be prejudiced. There are probably two reasons KOSI said the FAI is unfit for purpose. The first pertains to corporate governance and the second to the financials. The Deputy will have to accept my bona fides on this. KOSI stated that the FAI should not be getting public funds.

**Deputy Catherine Murphy:** We know that the Office of the Director of Corporate Enforcement and the Garda are involved. We accept that. They have to do their jobs and that is fine. However, we need a football association. Given the solvency issues and so on, whether it should be the FAI is another matter. We need a resolution so that we have a football association in place. We need to know what we need to do to achieve that.

**Chairman:** The structural changes that are needed should not be kept from us.

**Mr. John Treacy:** Can I comment?

**Deputy Catherine Murphy:** I have a bunch of questions to put.

**Mr. John Treacy:** I may be able to clarify. The KOSI audit is very detailed. The Institute of Public Administration, IPA, put the governance reform agenda into effect. The implementation of those recommendations will address a lot of the structural issues covered in the KOSI report.

**Mr. Kieran Mulvey:** I have heard this point made throughout this process. We thought we could release this report but our advice said otherwise due to its nature and content. So much so that when we called a special meeting of the board of Sport Ireland, members had an hour to read the report and then had to hand it back. I do not have a copy of the report. I wish to clarify that. We did not want information to get out inadvertently and prejudice an investigation.

**Chairman:** Deputy Murphy is not suffering from any time penalty here. Are structural changes other than the 76 recommendations to be made? We have been told that the IPA report does not contain all the recommendations. I think Deputy Murphy is asking how the process can be moved forward, forgetting the names of individuals.

**Deputy Brendan Griffin:** There is more in the KOSI report. An implementation group has been set up between Sport Ireland and the FAI and is pursuing the KOSI recommendations.

**Deputy Catherine Murphy:** Can anything be made public?

**Deputy Brendan Griffin:** No. I am in a similar position to Mr. Mulvey in that I got a full briefing on the report. I do not have a copy either and I did not take one. That is how serious this matter is.

**Deputy Catherine Murphy:** The Minister of State is making it very clear, but whatever-----

**Deputy Brendan Griffin:** I know it is frustrating for everybody. We want the public to know all the relevant details, but for obvious reasons it is in the overall public interest that we tread very carefully when talking about any of the contents of the report. We all want as much information as possible to be public. The committee must understand that this is particularly difficult and it is dangerous even to talk about specific issues.

**Deputy Catherine Murphy:** What is in public view is what has gone on and was an open secret for years. It is very unsatisfactory, to put it mildly. We understand that. We know there is

a transition period, but there is also a requirement for a solution. Most of us want to contribute to that solution. It is very frustrating that we cannot see a pathway. We cannot wait until the ODCE and the Garda complete their work because the FAI has huge monthly outlays. Will it be able to meet them? Was there any indication that that would be an issue? Are there issues in relation to the staff, beyond the staff involved in promoting football through the local authorities?

**Deputy Shane Ross:** As I said in my opening statement, we are meeting the staff this evening specifically to hear their concerns.

**Deputy Catherine Murphy:** We know what their concerns are. Their concerns are whether they will be paid and whether they will still have jobs. It is not very obvious where the income for that will come from every month. That is part of this transition too. Either the organisation is solvent or it is not. Other than meeting the unions, is a clear pathway available to the Department? Can the Minister see anything in the business case to indicate that the organisation's normal expenses can be paid?

**Deputy Shane Ross:** As the Deputy knows, the indications are that the situation is very grave. We are getting shocks from the FAI on a weekly basis, particularly with regard to its financials. That is why we are meeting all stakeholders who want to meet us. We will continue to do that. That is why we are also meeting UEFA. Every single stakeholder will be met. Every point of view will be taken into account. We are in a very fast-moving crisis and we are doing everything we can to meet those who are concerned, particularly the staff who at this point are very concerned about their futures.

**Deputy Catherine Murphy:** Has the Minister considered meeting FIFA? That organisation has put normalisation committees in place in other jurisdictions. UEFA clearly has an issue with political interference. Both organisations do. Are there restrictions on what resolutions are available?

**Deputy Shane Ross:** I would have no hesitation at all in meeting FIFA. We are meeting UEFA first but would be perfectly happy to meet FIFA. I believe that FIFA also wants to meet us. I have had no recent indications of worries about us infringing the independence or anything like that. It is anxious to meet us because of the gravity of the situation.

**Deputy Catherine Murphy:** On the total debt, when FIFA representatives spoke with the Department about the restructuring requirements, were they using the 2018 accounts or a higher figure than that? There is an expectation that it will be closer to €75 million or €80 million. What is the extent of FIFA's requirements with regard to restructuring? Did it give a figure?

**Deputy Brendan Griffin:** The €55 million liabilities figure is in the public domain but on top of that there is also funding owed to UEFA through loans. The total figure is closer to €70 million when the UEFA funding that was lent to the FAI is factored in.

**Deputy Catherine Murphy:** Right. I imagine that the new directors and the new CEO will want to come in and have a full stop at the end of 2019. We should see the totality of the debts that require to be restructured. It is important that we have a full stop there so the new board can proceed. It is essential that they take ownership of the resolution also.

**Deputy Brendan Griffin:** That is why it is critically important to get the new independent directors in place as soon as possible, along with a new independent CEO. The situation is very grave and the figures are pretty stark.

**Deputy Catherine Murphy:** Can I ask about the stadium-----

**Chairman:** Deputy Murphy has one minute remaining. We will take Deputy Coppinger next, with members' agreement, and I propose to suspend for ten minutes after that. Is that reasonable? I cannot see us finishing before 2 p.m.

**Deputy Brendan Griffin:** I just want to clarify that the figure is €62 million.

**Deputy Catherine Murphy:** Okay. Is the stake in the stadium an asset that is the FAI's to sell? Are covenants in place or has that been explored? If not, will the Department explore that?

**Mr. Kenneth Spratt:** I will take that question. Yes, it is free to sell its share in it. The FAI owns 42.5% of the Aviva stadium. The Irish Rugby Football Union, IRFU, owns 57.5% of it. They are joint owners of New Stadium DAC, which owns the asset. The FAI is free to sell its share but can only sell with the agreement of the Minister. Yes, it is free to sell it. Having said that, the Minister has first charge on the asset. There is a deed of covenant and charge on it that protects the Minister's interest, which was the significant investment that was made by the Government initially.

**Deputy Catherine Murphy:** What has it been valued at?

**Mr. Kenneth Spratt:** It has not been valued. The stadium cost €460 million to build at the time. The Government's contribution was €191 million over seven years from 2004 to 2010, but it has not been valued in today's value.

**Deputy Catherine Murphy:** Is there any consideration of additional State money being made available for soccer, leaving aside not administering funding through the FAI? Are any funds being looked at, even as a transition arrangement?

**Deputy Shane Ross:** As I have said, straight out, we are not going to bail out the FAI.

**Deputy Catherine Murphy:** No, I am not looking for that.

**Deputy Shane Ross:** That is absolutely out of the question.

**Deputy Catherine Murphy:** I am not looking for that.

**Deputy Shane Ross:** It is always our ambition to secure more money for sport, which we have done over a period of time.

**Deputy Catherine Murphy:** But is there anything specific?

**Deputy Shane Ross:** There is no specific move being made about that at the moment but every year it is our ambition to increase the amount of money given to soccer specifically.

**Deputy Catherine Murphy:** I shall now turn to oversight, Sport Ireland, and the reliance on external auditors. The same auditors were used for a long time for this entity, which in itself is a lesson. Is Sport Ireland likely to change its governance arrangements to seek rotation after a reasonable period of time as an extra safeguard?

**Mr. John Treacy:** The Deputy is right and that can be done. Sport Ireland has used different auditors to audit the FAI and we rotate our own auditors on a regular basis. It is good practice to do that. This is something we certainly could put in place very easily.

**Chairman:** I want to clarify just one point. Reference was made to the stadium and the Minister having first lien on the FAI interest in it. If the company became insolvent or went into liquidation, would it mean that the Government or the Minister would then become the owner of that asset or would it be the creditors? Who would get that asset?

**Mr. Kenneth Spratt:** New Stadium is a designated activity company that is part-owned by the IRFU and part-owned by the FAI. In the event the company became insolvent, the banks could move on the asset. The Minister and the Government, however, do have first charge on the asset if it is realised.

**Chairman:** So what would that mean? Would the Government then own the asset if it has a €191 million stake in it?

**Mr. Kenneth Spratt:** It would depend on how it played out. If, for example, the bank was happy enough to move in on the asset and hold it, then the bank would become the part shareholder instead of the FAI. If the bank held on to the asset, which it could do, the bank would simply replace the FAI as the shareholder. Whether or not they wished to sell it, that can only be sold with the permission of the Minister. The Minister cannot unreasonably withhold permission to sell it, but it could be sold, and whether or not the Government would be interested in buying it would depend on circumstances.

**Chairman:** If it was sold it could mean that any private speculating company could buy in and take ownership of it. The Minister could not reasonably withhold his consent, and nobody would want that either.

**Mr. Kenneth Spratt:** It does have to stay in sporting use. There is an agreement from the owners that it will stay in sporting use for 30 years from 2010. It has to continue to be a sporting facility until 2040. Any prospective buyer would need to be very mindful of that fact.

**Chairman:** This is all part of the Department's considerations in the model of activity it is studying.

**Mr. Kenneth Spratt:** Yes.

**Chairman:** It is a very complex, almost doomsday situation right now.

**Mr. Kenneth Spratt:** It is. It only really works if it is owned by national governing bodies for sport. The stadium has a significant annual cost. It raises revenue from concerts and conferences and so on, but the gap must be filled by the two national governing bodies. This is filled through a licence for each of the national governing bodies to hold a number of fixtures each year. Based on the revenue raised from those fixtures, they are able to fill that gap. It is a not-for-profit company but it does wash its face as there is a little bit of a surplus that goes into a sinking fund. It really only works by being owned by the two national governing bodies and by being used for sport.

**Deputy Ruth Coppinger:** I will start with questions to Sport Ireland. When this series of committee meetings started out, in the earlier meetings we had, Sport Ireland was still funding the FAI. That stopped. Today Sport Ireland has announced a huge change in the terms for the allocation of grants. All national governing bodies must provide full details of the remuneration package of their CEOs. Why was this not done a long time ago? This is being done without any difficulty now. It did not require a change in legislation. It just required Sport Ireland to change its terms and conditions. I ask this because surely Sport Ireland and successive Ministers for

sport must have seen the caviar culture that was going on at the top of the FAI. It was at a time when birthday parties and rent were paid for. Prawn cocktail would not even make it onto the menu, by the sounds of it, yet the public was part-financing the organisation. Why did it take so long for the powers that be to react?

**Mr. John Treacy:** The matter came to light on the St. Patrick's Day weekend this year. In April, two weeks later, Sport Ireland suspended funding to the FAI. The terms and conditions of grant aid are reviewed in consultation with the governing bodies of sport. When we rewrite our terms and conditions, we contact the governing bodies, tell them what we are doing and secure their consent. We conducted the KOSI audit with the consent of the FAI. We did not have the power to do it-----

**Deputy Ruth Coppinger:** Mr. Treacy is saying the FAI would not have consented previously.

**Mr. John Treacy:** Yes. In respect of what we need to do about the issue, it has definitely upped the game in the round.

**Deputy Ruth Coppinger:** The other striking aspect of Mr. Treacy's statement was when he spoke about the auditors, and undeclared transactions of serious concern and unrecorded liabilities. What should happen with the auditors in that regard?

**Mr. John Treacy:** Dealing with the auditors who undertook that the case is a matter for the FAI. The Minister has also written to them.

**Deputy Ruth Coppinger:** I would have thought it was a matter for the State.

I turn to women's football. Mr. Treacy stated the grant of €195,000 for women's football will now be paid through a private company, BDO. I knew nothing about BDO before the meeting but researched it. Its website states that it advises a number of corporate and personal clients, Irish and multinational, on their tax planning strategies, from both a domestic and international perspective. It seems like a strange organisation to disperse sports funds on behalf of the taxpayer. How much is BDO paid for the role? Are there no women in the sport who could be asked to take on the role? Are there no civil servants who could do it? It seems like an effective further privatisation, whereas our difficulty has been in having private organisations such as the FAI answer to the public.

**Mr. John Treacy:** BDO is an auditing company. It has a good reputation and has undertaken to do this for us. It-----

**Deputy Ruth Coppinger:** How much is it paid?

**Mr. John Treacy:** That is a matter between BDO and the FAI. I do not know exactly what it is but it is not a substantial sum.

**Deputy Ruth Coppinger:** Who pays BDO the sum?

**Mr. John Treacy:** The FAI.

**Deputy Ruth Coppinger:** It seems like a further expense added to the grant of €195,000, when-----

**Mr. John Treacy:** We were trying to find a solution and BDO was a solution.

**Deputy Ruth Coppinger:** I turn to the Minister, who met the FAI the other night. He stated not a cent will be given to the FAI as yet, and I am sure everybody would agree with that. There is no way the public should funnel money into the FAI at present because it would end up going to the banks. Is the FAI sustainable as an organisation without a bailout or will it go bust? What liabilities are due, and when, that could tip the FAI into administration?

**Deputy Shane Ross:** I agree with the Deputy that a bailout is out of the question, and we will not yield in that regard. Many players are involved, including UEFA, the FAI and Sport Ireland. We met the FAI at its request in order that it could outline the gravity of the circumstances. It has not in any way accepted there is some sort of Doomsday scenario. It came to us to warn us of how bad it was, give us some stark figures and determine whether any money was available from the State. My guess is it will now have to come up with a new plan, which may or may not be viable, but it will depend on the banks, which will have to decide whether they will give a further extension. UEFA is also funding it. That is where the solution will lie.

If the independent directors are appointed, I expect there will be a new atmosphere in respect of the issue. That they are not in place - I do not point the finger at anybody - means there is a blockage. The appointment of the independent directors will release a dynamic that will be quickly followed by a process to appoint an independent chief executive and an independent chair, which is what we sought.

**Deputy Ruth Coppinger:** The Minister made that point earlier and my time is limited. He has lately posed as something of a hero of Irish football.

**Deputy Shane Ross:** Yes.

**Deputy Ruth Coppinger:** Approximately 170,000 people participate in soccer every week, yet the funding it receives does not compare with that for other sports. It receives €2.9 million, despite almost 200,000 people playing. Greyhound racing receives €16 million, while white-water rafting will receive €22 million from the taxpayer through Dublin City Council. The allocation to soccer, however, has been low. Nobody suggests the FAI should be allowed to carry on in its practices, but people want to be assured that support will continue for grassroots football, such as the League of Ireland and people who play the sport every day. It is critical, not least for obesity levels and so on.

The Minister will meet SIPTU later. The trade union and the workers were whistleblowers in respect of what was happening at the FAI for a long time. In April, I read an article in which Mr. Conway contradicted SIPTU and stated its claims that the company was bankrupt were unfounded. At that time, therefore, the workers were aware of the state of the accounts but were publicly cut across by leading people at the FAI. Will the State guarantee job security for the workers, who took pay cuts while their bosses enjoyed themselves, and will their jobs be safeguarded in the interest of providing ongoing development of the sport?

Has the Schoolboys Football Association of Ireland, SFAI, yet accounted for the €50,000 it spent to hire a corporate box at the Aviva Stadium? Was that public money and, if so, is it the case that such an organisation can move money from one place to another before receiving it again? Hiring a corporate box for schoolboy football is the most bizarre financial transaction one could imagine.

**Deputy Brendan Griffin:** I will take the funding question. The youth field sports programme is funding we give to the FAI, and similar sums are given to the Irish Rugby Football

Union and the GAA. Such organisations have relatively large incomes compared with those of other national governing bodies of sport, but it is not the only funding we give them. In 2018, for example, which was the most recent round, soccer clubs throughout the country benefited from the sports capital programme to the tune of €6.5 million, while in the 2017 round, the figure was just over €7 million. That funding is hugely beneficial to the sports in question and it is not counted in terms of the core funding that is administered through Sport Ireland. Those sports, just by virtue of their size, get a proportionately larger amount of the overall sports capital budget. Of the €57 million allocation under the most recent round, they received €6.5 million. That is considerable, amounting to roughly €1 out of every €8 that was administered. The capital grants do reflect the size of the sports more than the current allocation, the reason being that there is strong income for those sports on the current side which other national bodies do not have. In 2017, the capital allocation of €7 million to the sports in question again represented approximately one eighth of the funding that was given nationally through the sports capital programme.

**Deputy Ruth Coppinger:** However, all of those sports have other sources of funding as well. For example-----

**Deputy Brendan Griffin:** They are eligible to apply for sports capital funding. However, because other sports are not as widespread and are not represented in every community as the three main field sports are, the field sports tend to get more funding. Another factor is the nature of the sports in terms of pitch maintenance and the requirements for-----

**Chairman:** The Minister of State has one minute left to answer Deputy Coppinger's questions, after which I must call Senator Ó Céidigh.

**Deputy Brendan Griffin:** Under the national sports policy, which we launched in July last year, we committed to double funding for sport between 2018 and 2027 and to treble high-performance funding. We are on track to achieve that and it will benefit all sports. There have been substantial increases in funding for sport in the past two budgets and that is reaching all sports. We have 67 national governing bodies, if I recall correctly, and we are trying to benefit everybody. As I said, there are sports which are less popular and not in every community, and we are trying to give prominence to and encourage them. These sports do not have the funding opportunities that are available to the larger sports and we must be mindful of their needs.

**Deputy Ruth Coppinger:** An example that comes to my mind is the Minister's cheerleading of a grant of €130,000 to a private rugby school. Not many people will benefit from that. The reality is that soccer and football are the most popular sports in the country but soccer does not get the level of State support that many other sports do.

**Deputy Brendan Griffin:** As someone who plays both soccer and football, including all summer with my football club, I am a passionate supporter of both sports. I certainly feel there is full fairness in the system of allocations for sports capital and across the board. Those allocations reflect the popularity of the sports but are also responsive to the needs of communities. If we look at the most recent round of sports capital funding, it is clear to anybody who has analysed the figures that we very much try to target disadvantaged communities. Of the €57 million that was allocated recently, €19 million went to disadvantaged communities and €4.5 million was given to what are considered affluent communities, according to the Pobal deprivation index. The funding is heavily stacked towards disadvantaged communities, and that is very positive.

**Deputy Ruth Coppinger:** With all due respect to the Minister of State, that is absolute rubbish.

**Deputy Brendan Griffin:** What part of the facts I have outlined can the Deputy correct? I have given the figures.

**Deputy Ruth Coppinger:** I will tell the Minister of State if he stops shouting over me.

**Deputy Brendan Griffin:** The Deputy has said something is rubbish when I have given her the facts. How is it rubbish?

**Deputy Ruth Coppinger:** I will tell the Minister of State if he will let the sound of other voices occasionally-----

**Deputy Brendan Griffin:** This is the mantra the Deputy is always spouting, but I have given the facts.

**Deputy Ruth Coppinger:** RTÉ did an exposé, for example-----

**Deputy Brendan Griffin:** If one looks at RTÉ's exposé, it did not consider all the figures.

**Deputy Ruth Coppinger:** I know that because I heard the Minister of State being interviewed.

**Deputy Brendan Griffin:** Yet the Deputy is quoting a flawed exposé.

**Deputy Ruth Coppinger:** The Minister of State likes the sound of his voice. Will he not listen to one sentence from me?

**Deputy Brendan Griffin:** I ask the Deputy, through the Chair, to continue, please.

**Deputy Ruth Coppinger:** When I was on Fingal County Council, it was well documented that more middle class areas got more sports grants, and that continues to be the case. I am making this point without derailing the whole discussion. It would be helpful if I could get answers to the other questions asked.

**Deputy Brendan Griffin:** Under the latest sports capital programme, €1 in every €3 went to disadvantaged areas, or €19 million out of €57 million. It is a long time since Deputy Coppinger was on Fingal County Council.

**Chairman:** I call Senator Ó Céidigh.

**Deputy Ruth Coppinger:** May I have an answer regarding the SFAI's hiring of a corporate box at the Aviva Stadium?

**Chairman:** We will have a second round of responses. I remind colleagues that Senator Ó Céidigh is under time pressure.

**Mr. John Treacy:** The SFAI does not receive any Sport Ireland funding.

**Deputy Ruth Coppinger:** Where did it get the money from for the corporate box?

**Chairman:** I have called Senator Ó Céidigh.

**Senator Pádraig Ó Céidigh:** I thank the Chairman for letting me in before the break. He

will recall that I sent him a letter concerning this meeting. I will be brief as colleagues have asked a lot of good questions. Having audited its accounts, Deloitte announced that the FAI is effectively bust. Let us call a spade a spade. Before indicating its intention to resign as auditor, Deloitte restated the 2017 accounts from approximately €2.7 million of a profit to a loss of €2.7 million, which is a shift of about €5.5 million. I have some sympathy and understanding for Sport Ireland and the challenges it faces because, it seems, it bases its review, to a large degree, on independent audited accounts. Having said that, I have the Sport Ireland Act 2015, to which several speakers referred, in front of me, and I take issue with one or two of the points Mr. Treacy made in that regard.

Section 11 of the Act, which sets out the criteria, terms and conditions of assistance, states, in subsection (3)(a), that Sport Ireland may “request any person or body applying for or receiving assistance under section 8(4)(a) to supply Sport Ireland with information in such form and at such time as it may require”. This means that Sport Ireland has absolute flexibility in terms of how deep it wants to dive. I have the transcript of the meeting where I asked whether Sport Ireland had identified any red flags in this regard, in response to which Mr. Treacy did not highlight any concerns. To me, a red flag was raised when Deputy Jonathan O’Brien or Deputy MacSharry - I am not sure which of them it was - asked whether there had been a meeting with the board of the FAI. The answer given was that there was one such meeting in 2015 and there were two further occasions on which members of the board were invited in by Sport Ireland but did not show up. Did they give a reason for not showing up? Subsequent to their not showing up, Sport Ireland still gave the FAI €2.9 million in funding in January or February of this year. Will Mr. Treacy comment on that?

**Mr. John Treacy:** The Senator referred to the 2015 Act. In April of this year, we got legal advice regarding our powers under the legislation. Section 11 refers to information which Sport Ireland reasonably determines is necessary for the proper carrying out of its functions. Those functions include matters relating to high-performance participation, our performance and how we carry out our functions, and how the national governing bodies support us in our role. I will read out the legal advice we received.

**Senator Pádraig Ó Céidigh:** I am conscious of time.

**Mr. John Treacy:** It is one short paragraph, as follows:

Dealing briefly with the relevant provisions of the Act, there is no provision of the Act that would give Sport Ireland statutory authority to audit or inspect the books and records of a body in receipt of Sport Ireland funding. Section 11(3) of the Act allows Sport Ireland to request information from a body in receipt of assistance and withhold or refuse assistance if that information is not forthcoming, but this does not amount to the right to audit such a body. Accordingly, Sport Ireland will need to rely on the terms of the application grant arrangements, in particular the terms and conditions mentioned above, in respect of such audits.

The terms and conditions are drawn up in consultation with the organisations and we get them to agree to those terms.

**Senator Pádraig Ó Céidigh:** Deputy Coppinger referred to Mr. Treacy’s indication in his opening statement that organisations are being asked to meet some extra criteria. Surely Sport Ireland could have put that requirement in place from day one and that would have been well within the legislation? I am repeating Deputy Coppinger’s question. I am not trying to hang

anyone out to dry here.

**Mr. John Treacy:** May I just say that we would have been-----

**Senator Pádraig Ó Céidigh:** Section 11 provides that Sport Ireland may demand a refund of any financial assistance provided. Has Sport Ireland done that or thought about doing it?

**Mr. John Treacy:** We have not demanded a refund.

**Senator Pádraig Ó Céidigh:** An audit certificate and a tax clearance certificate are very powerful in regard to the provision of funding by any Government agency. They are a pretty standard requirement in the vast majority of cases. I am not trying to get at Sport Ireland. I believe that Sports Ireland have and had the power and authority to investigate this in far greater detail before now. In questions to the Minister-----

**Mr. John Treacy:** We do not have investigative powers within the Act. We are not a regulatory agency. We are a sports promotion agency, which works in partnership with other governing bodies. That is the ethos of Sport Ireland as to its functions. If one looks at these functions, these relate to participation, high-performance, anti-doping and codes of conduct. There was an opportunity in 2015 to make Sport Ireland a regulatory agency but that would have been the wrong thing to do. We do not want to be a regulatory agency but want to be here to work in partnership with and to support the organisations. I have made the point in here previously that we took on an audit function where, in many other areas involving grant aid, such functions have not been taken on. We took it upon ourselves that if we were giving 50% of funding to an organisation, we would do a full audit. We took a view which was shared by others, that if one is not providing a huge amount of funding to an organisation - 5% was the figure used by the FAI - and we tried and wanted to push the boat out. We were rebuffed and pushed back because we did not have the power to do that.

**Senator Pádraig Ó Céidigh:** We are splitting hairs in relation to regulation and non-regulation. It is standard practice in the Department of Transport, Tourism and Sport, when I was involved in aviation, when one was tendering for a contract. Enterprise Ireland, Údarás na Gaeltachta, Fáilte Ireland and Bord Iascaigh Mhara do the same. One has to prepare three years of projections, to be sure of this funding or the grant-aiding authority must be comfortable that this organisation is going to be here in a year, two or three years' time. This is standard practice in the Department from my own personal experience, and rightly so. I believe there were flags there in respect of the FAI.

I have asked the Minister about this point previously in the Seanad and one of my colleagues also has mentioned it, namely, the €16.8 million allocated for greyhounds in this year's budget a month or six weeks ago. I cannot for the life of me understand why the FAI is getting €2.8 million or whatever the figure is. The Minister told me, when we discussed at the time, that this money comes out of the Department of Agriculture, Food and the Marine's funding. Would the Minister speak to his colleague, the Minister of Agriculture, Food and Marine, to ascertain whether this funding could come under his Department's aegis - because a significant amount of the whole greyhound sector comes under his Department - and that some form of re-balancing would take place?

**Deputy Shane Ross:** The Senator has asked a good question there. I am not entirely sure how to answer it, which is probably the definition of a good question. I have made my personal views on the greyhound issue very plain but I am a member of the Cabinet and am obviously

bound by Cabinet solidarity.

**Senator Pádraig Ó Céidigh:** Confidentiality.

**Deputy Shane Ross:** And confidentiality.

**Deputy Ruth Coppinger:** Solidarity.

**Deputy Catherine Murphy:** With the solidarity bit now, is that a Freudian slip?

**Deputy Shane Ross:** I will deal with Deputy Coppinger in a few minutes.

I made my personal views plain on this. I do not know how much I can or should say about that here. It is well known that I have been sympathetic with the greyhound industry and I am not sympathetic with the situation that money should be given to it in the way that it is at the moment. The Cabinet has made a decision and I am bound by it as a member of the Cabinet I will support it. There may be a bit of resistance to me taking over a position there, which may involve a lot of stress. If the Senator wishes, I will ask the Minister, Deputy Creed, if I can take over his Department in-----

**Senator Pádraig Ó Céidigh:** In fairness, Minister, I think there is more than greyhounds involved in his Department.

**Deputy Shane Ross:** That is right. I could see if I can take over that part of his responsibility but I believe that would be resisted. There is a problem there as to why the industry is given quite so much when there is so much wrong with it. That is my view, which I say quite openly.

**Senator Pádraig Ó Céidigh:** Can I ask-----

**Deputy Shane Ross:** My two agencies have suspended funding to promote the industry.

**Senator Pádraig Ó Céidigh:** I appreciate the work that the Minister, Mr. Spratt and his team have done in bypassing the FAI to provide funding to the grassroots. I have questions on that point. The funding is being looked at through the Grant Thornton accountancy firm, I believe, to look at supporting development officers. What about the rest of the staff who are not development officers? Will their salaries be supported as well or is this support be restricted to development officers, of whom there are approximately 60 around the country.

**Deputy Shane Ross:** This is just part of programmes that are being supported by us. The Senator is asking the big question as to what is going to happen and are there going to be cuts. That is something the FAI is going to have to address very shortly.

**Senator Pádraig Ó Céidigh:** I am asking specifically if the funding that the Minister is structuring in a different direction to the grassroots will only pay the salaries of the development officers or are more staff members included in that funding?

**Deputy Shane Ross:** No, it is just for development officers.

**Senator Pádraig Ó Céidigh:** It is for development officers only, who are roughly 60 or 70 in number.

**Deputy Shane Ross:** It is 60 out of 200 staff members.

**Senator Pádraig Ó Céidigh:** I thank the Minister. I have one last question on that point.

This is how it is hitting grassroots. There is a small soccer club in north Galway, Colemanstown United FC, which was the overall national FAI club winner of the year this year. It received €5,000 in prizes, which was huge money for it. That money and more has been spent on development and the club now has bank overdrafts. Is there any way that the club can get the prize money it won or is the Minister aware of anything like that in this process?

**Deputy Shane Ross:** I am aware of that issue. Someone from that club, a lady whose name I cannot remember just now, has been touch with me. Representations are in train. This club is due to receive the €5,000.

**Senator Pádraig Ó Céidigh:** This is just one example. That is great to hear and I thank the Minister.

**Deputy Shane Ross:** I see the problem but I do not want to spark off hundreds of clubs coming around saying that they are owed money.

**Senator Pádraig Ó Céidigh:** Absolutely.

Finally, we are all around the table together on this point. What happened in the past should never have happened. The Office of the Director of Corporate Enforcement, ODCE, the Garda and others are looking into that and a process is being gone through. I am asking that we all now consider looking at a transition now, while asking how we can go to the future but learning from the past. On a transition, I am asking that the Minister, Sport Ireland and the Department consider suggesting to the FAI that a transition process and an interim board be put in place. The problem with new directors coming in is that when they come in to this role, he or she could be personally responsible for the debts in this the past. Who, in fairness, will do that? If I was advising somebody, I would suggest that they be very careful in this regard because their house could be on the line. A new structure should be created for transition in order that good people are placed on the board. They can then appoint an independent CEO and get professional advice from one of the professional organisations to understand how to restructure in a professional manner. This is what is needed because there appears to be no transition, plan or structure and we are going headless into this. A suggestion like this has a good chance of working. I believe there is a great future for the FAI and out of this dust, a very good soccer structure will emerge in Ireland.

**Deputy Shane Ross:** I will address Senator Ó Céidigh's point by saying that if the independent board members are appointed, they could consider a structure along the lines he has suggested. The key point, among a lot of others, is to get these independent board members on board first in order that they can set this structure up. Nobody else is going to do that.

**Chairman:** These new members will be part of the board as well, but will be in a minority on the board.

**Deputy Shane Ross:** There will be four.

**Chairman:** All of the other board members, while none of them have been on the board before, are members of the association and have a lot of knowledge. I believe Senator Ó Céidigh, however, is referring to professional skills here-----

**Senator Pádraig Ó Céidigh:** I am talking about professional skills.

**Chairman:** -----which have the capacity to manage the complexity that is required.

**Senator Pádraig Ó Céidigh:** Exactly. I am also talking about a structure that is outside of a company that is limited by guarantee. It is only then they are going to get people who are willing to go on that board. Right now, if people go on that board, they could be personally liable for debts if the company is insolvent. I thank the Chairman for allowing me in.

**Deputy Brendan Griffin:** Again, I would like to emphasise, as someone who has come from a small club myself, that I know how important even relatively small figures are in terms of funding. That is why I want to emphasise to the committee that it has been incorrectly reported in various media that we are not continuing grants to soccer. We are continuing sports capital grants to individual clubs around the country. We have allocated a huge amount in the most recent round. We will be opening it up again in a couple of months and all of those clubs will be eligible to apply again. We are not going to see a situation where the small clubs, the volunteers and the players at grassroots level are being negatively impacted upon. What we are doing is that we are not providing the sports capital that has been allocated to the FAI itself. We are not making that available for drawdown, but it is only a relatively small amount overall. All of those clubs throughout the country are eligible to come back in again for sports capital, and those that have been allocated funding are eligible to draw down that funding as normal.

**Senator Pádraig Ó Céidigh:** That is great. I thank the Minister of State for clarifying that. It is very important.

**Chairman:** We will suspend for 15 minutes. Is that agreed? Agreed.

*Sitting suspended at 12.21 p.m. and resumed at 12.49 p.m.*

**Senator Frank Feighan:** I thank the witnesses for coming in. It is hard to believe that, since last March, we would have arrived at this situation. I have a long involvement in junior soccer. I was treasurer of the Roscommon district league back in the 1980s, I was secretary of my local soccer club, I ran a double-decker bus to Germany in 1988 and I was at a celebration of junior football in Sligo County Council last Monday. I know from members and playing members on the ground that they are absolutely disgusted at what has happened, and I can only reflect that back. We are trying to get to the end of this but it is hard to imagine we could have ended up where we are.

I am disappointed at the FAI's absence. Its representatives should have come in here today to answer questions and I hope we will have them here in the future. I wish to ask a few questions. There was a joke many years ago. If one asked a doctor what two plus two was, the doctor would have said four. If one asked a dentist what three plus three was, the dentist would have said six. If one asked an accountant what four plus four was, the accountant would ask, "What do you want it to be?" It seems that Deloitte has many questions to answer as well. It is difficult to believe that it signed off on the books. Mr. Treacy is right, in that we rely on professional auditors to do the right job. I do not know whether it is in order, but can the committee invite the accountants?

**Chairman:** We discussed that at our last meeting. The advice we have received through our clerk is that we have no role in respect of the auditors or accountants. I appreciate that the Senator might not have been present at the time, but I raised the matter at the meeting. I contacted the Irish Auditing and Accounting Supervisory Authority, IAASA, and made a written submission to it asking it to examine all aspects of the Deloitte audit. I received an acknowledgement, which I circulated to members. I wrote to the authority as a Deputy, but it replied to me as Chairman of the committee. Everyone has a copy of it, and it might be helpful for the Senator.

**Senator Frank Feighan:** The Minister stated: “While I have been advised that it would be unlawful to share the full details of the KOSI auditors’ findings, [which we understand] I can confirm that their opinion is that the FAI is not fit to handle public funds.” He cannot say more, but that is probably the most damning statement made today. My heart goes out to the 200 staff and their families who are caught up in this bad situation, which is not of their making. I hope that what the Minister is doing will help to protect them and others in the FAI who are innocent of any wrong-doing.

We speak about an all-Ireland soccer team. Since the time I grew up, we have been asking why the lads in the Irish Football Association, IFA, do not fold up their tent and join an all-Ireland soccer team, but what would the IFA have to do with the FAI now? This situation has put back an all-Ireland soccer team years. If we want to be honest, we have to resolve what is happening in the FAI.

The FAI is a toxic brand. As many brands have done, is it time for a name change? That is a matter for the FAI, but if the State is giving it funding, perhaps it needs to start afresh and change its name to, for example, “Soccer Ireland”. Given what has happened over the past two years, it needs to reflect on a name change. We need to start from scratch.

At our first meeting on this matter approximately six months ago, I stated that the FAI was like “Goodfellas”. Look at UEFA. It is the governing body and Mr. John Delaney had a powerful executive role there. UEFA has questions to answer as well. What is it doing and what has it done? Can the committee ask representatives of UEFA to attend a meeting? The Minister, the Minister of State, their officials and Sport Ireland have done excellent work trying to uncover facts and be helpful, but the FAI’s governing body is UEFA and it should come clean about what is happening. It should appear before us to explain what it will do.

**Chairman:** If the Senator proposes that, the committee will agree to invite UEFA.

**Senator Frank Feighan:** I propose that we invite representatives of UEFA to a meeting of the committee.

**Chairman:** As soon as possible.

**Senator Frank Feighan:** Yes.

**Chairman:** Is that agreed? Agreed. Does the Minister of State wish to respond?

**Deputy Brendan Griffin:** On the comments relating to UEFA, we are due to meet it shortly and the Senator has raised many of the questions that we will be asking.

The image of the FAI and Irish soccer is damaged, although I hope not irreparably. I am conscious of the fact that Irish soccer’s image must improve if it is to get out of this situation, given the issue of acquiring sponsorships and other necessary elements. For example, the Olympic Federation of Ireland rebranded, having formerly been the Olympic Council of Ireland. That may be a template.

I agree with the Senator that the issues are grave. For a long time, he has been supportive of the concept of an all-island body. That is a matter for both governing bodies, though, and is not for the Government to comment on.

**Deputy Shane Ross:** I will reiterate that remark. Senator Feighan’s contribution was useful in several ways. The accountants have questions to answer. I do not know whether this is

the right forum for that, but it seems somewhat absurd for Sport Ireland and, by extension, the State to depend on the accounts only for it to turn out that they have to be restated. That makes much of the accountants' work redundant. They have questions to answer, but whether they appear before the committee is up to themselves rather than the committee. It would be welcome if they appeared to explain what happened.

I am *ad idem* with the Senator on an all-island soccer team. I would love to see that. It has probably been set back as a result of this situation. As the Senator will be aware, it was meeting other obstacles, but I suspect the IFA would be less inclined to get involved with an organisation that the Senator described as having a toxic brand. It will give those who do not want an all-island soccer team for other reasons, which I do not accept, an excuse for not getting involved, which is a great pity. It is another setback.

UEFA is a key player in this matter, and as the Minister of State alluded to, we will meet it on 14 January. I believe that is the date set at the moment. We will look to talk to UEFA in as constructive a way as possible about what can be done to save Irish football.

**Deputy Kevin O'Keeffe:** Regarding the Senator's comments, I hope that we do not compromise our national anthem. It would be like athletes from Russia going to Tokyo next year with no flag flying over them.

I am seen as someone who puts up his hand for being offside. I do not have to use the VAR system.

**Chairman:** The use of what?

**Deputy Kevin O'Keeffe:** The new technology.

**Chairman:** I see.

**Deputy Jonathan O'Brien:** Floodlight failure, match postponed.

**Deputy Kevin O'Keeffe:** We have come a long way in the past few months. When I saw the accounts, I went to a professional accountant to be sure. So much has gone off track with the financial stability of what is a large national association. That said, I would not be in favour of dismantling the association. As happened with the Olympic Council of Ireland, perhaps a name change might be a move in the right direction.

I am delighted that the Minister met some representatives of the FAI last week, but I wish to ask him about people producing and seeing reports. In fairness to Sport Ireland, the KOSI report shows that it acted fine in its distribution of money, in that the money was accounted for and it went where it was supposed to go. That was good to hear. The governance review group was chaired by Mr. Aidan Horan and produced a document. Did the Minister see that document before it was signed off on and put into the public domain?

**Deputy Shane Ross:** By the governance review group?

**Deputy Kevin O'Keeffe:** Yes, the document produced by Aidan Horan.

**Chairman:** The football administration costs is what is being talked about.

**Deputy Kevin O'Keeffe:** Did the Minister see the document with 78 recommendations?

**Deputy Shane Ross:** Yes, we did see it.

**Deputy Kevin O’Keeffe:** Did the Minister see the document before it was put in the public domain?

**Deputy Shane Ross:** Yes.

**Deputy Kevin O’Keeffe:** There was a recommendation that a minimum of one or two previous board members should be retained. Why did the Minister not pull out that time?

**Deputy Shane Ross:** My official will answer the question.

**Mr. Kenneth Spratt:** We did have sight of the IPA report. We were asked for our observations on it and one of the observations that the Minister did put back to the chair was his concern about the two staying on. That recommendation around up to two staying on was noted by the Minister and was remarked upon. His observation back to them was that that should not be the case.

**Deputy Kevin O’Keeffe:** Why was the Minister so slow to come out of the traps?

**Chairman:** It may be helpful if Mr. Treacy comments.

**Mr. John Treacy:** We got the report as well and made our observations. We made the same suggestion back that all of the board should go. We know the rationale for keeping two on was for continuity-----

**Deputy Kevin O’Keeffe:** Obviously.

**Mr. John Treacy:** ---- but we suggested that all of the board would go.

**Deputy Kevin O’Keeffe:** Eventually.

**Deputy Shane Ross:** Yes. I cannot remember the exact sequence of what happened here. At no stage did we make any bones about the fact that we wanted the entire board to go and they made a recommendation that was not in accordance with that.

**Deputy Kevin O’Keeffe:** While the Minister did later on, he did not condemn the recommendation within days of the report being published. It was more or less when nominations came through for the FAI AGM that he spoke his mind. He did not put it on public record when the report was published that he was unhappy with the recommendation.

**Deputy Shane Ross:** I am not sure that the Deputy is right about the sequence of events.

**Deputy Kevin O’Keeffe:** The Minister waited until the nominations came out for the FAI.

**Deputy Shane Ross:** I do not think the Deputy is correct about this. I made it absolutely clear at every stage when I was asked that I thought every single member of the board should go. The IPA made a recommendation, which was not in accordance with my wishes, but that is up to them and makes them independent. I do not know whether it was before or afterwards but I made it quite clear that I felt that the entire board should go. That was unambiguous all along.

**Deputy Kevin O’Keeffe:** The document was done in joint partnership with Sport Ireland. Is it correct that Sport Ireland sponsored the document?

**Mr. John Treacy:** Yes. Before the document was finalised, our observation was that the entire board should go. We inputted that back into the group. The IPA and the group that for-

culated the report did a very good job. They got that from us but they are independent and they made their own suggestions, as is their right to do.

**Deputy Shane Ross:** It is very important that the group was independent of us and of Sport Ireland. They made a recommendation against very strong feelings that were expressed to them. I regret the recommendation as it was wrong but at least they were an independent group and they said, "Look, keep them on". That is fine and proves their independence.

**Deputy Kevin O'Keeffe:** Aidan Horan was independent and professional. He knows his job.

**Deputy Shane Ross:** Yes, sure. Absolutely.

**Chairman:** Part of the problem was that the FAI might not have co-operated with the process if one did not do that.

**Deputy Shane Ross:** That might be true.

**Chairman:** I think that might have been going on in the background.

**Deputy Kevin O'Keeffe:** Did Sport Ireland or the Department see draft copies of the KOSI report before the finalised document was published?

**Deputy Shane Ross:** No.

**Deputy Kevin O'Keeffe:** Is the Minister sure of that?

**Deputy Shane Ross:** I am certain.

**Deputy Kevin O'Keeffe:** So the document that is with the Garda was the only document issued by KOSI and there were no drafts prior to that.

**Deputy Shane Ross:** I wrote to Mr. Treacy that I required a copy of the report under the relevant Act.

**Deputy Kevin O'Keeffe:** A draft copy or the signed-off copy?

**Deputy Shane Ross:** That was the first sight I had of it.

**Deputy Kevin O'Keeffe:** Was that the final copy?

**Deputy Shane Ross:** Yes.

**Deputy Kevin O'Keeffe:** So no draft copies were given beforehand.

**Deputy Shane Ross:** No.

**Deputy Kevin O'Keeffe:** The Minister has acknowledged, and as acknowledged by the KOSI report, the distribution of the State funds. One of the reasons we have a big interest in the affairs of the FAI is because there are State aid or grants involved. It has been acknowledged that as bad as the figures were, the FAI distributed the money where it was supposed to go, as in what Sport Ireland and the Department signed off on. Now, the Minister is on about bringing in other means of distribution, which will add an astronomical cost because firms such as BDO do not come cheap. When the firm gets money to allocate, will it get the money plus a fee or will the fee be taken out of the grant money? It will cost at least a couple of €100,000 to distribute

the money.

**Deputy Shane Ross:** Where did the Deputy get that figure?

**Deputy Kevin O’Keeffe:** I ask the Minister for a figure. What quotes has he for the distribution of these moneys from the independent agencies?

**Deputy Shane Ross:** That question has been asked.

**Deputy Kevin O’Keeffe:** I am sorry. I will go back to the record.

**Deputy Brendan Griffin:** I said earlier, in response to Deputy O’Brien, that we must be protective of public moneys. There is a high risk that if we were to give money directly to the FAI, given that KOSI has stated that the moneys were pretty much well accounted for and given the precarious financial situation that the association is in at the moment, we could not guarantee that it would not disappear into a black hole. That is one of the big challenges. I mean when one has so many overdrawn accounts and different issues going on we want to ensure that the money gets to the front line and to the people who need it. By going through the FAI, obviously there is a cost. I understand that it is a very low cost to take the alternative route but at least we are guaranteeing that the money reaches where intended. We would have no guarantee channelling the money through the FAI. That would be completely out of the question and the KOSI clearly states that the FAI is not fit to receive public moneys.

**Chairman:** To be helpful, I suggest that Deputy O’Keeffe tables a parliamentary question on the issue so that when the Dáil resumes he may have the answers for what this costs, who submitted tenders, etc.

**Deputy Kevin O’Keeffe:** Only a few years ago, the Olympic Council of Ireland, OCI, was in trouble and we suspended funding for a period. We started funding the OCI before the final conclusions were reached and the matters were resolved. Can we assume going forward that if the new FAI board is in place, we can surely put a guarantor in the administration to ensure the money would continue to be distributed? We must give the current FAI credit and move on.

**Deputy Shane Ross:** We have made it quite clear that the FAI will not be given funding until its corporate governance is fully compliant and satisfactory and its finances are in order, and not before that. There is nothing more than we want to do than to fund Irish football one way or the other. As my ministerial colleague said, we cannot give the FAI money when we have been advised that it is not fit to receive money. That would be folly.

**Chairman:** The Minister cannot.

**Deputy Kevin O’Keeffe:** There is a delay in appointing independent directors. Why are they slow to take up their positions? Have they been privy to the KOSI report?

**Deputy Shane Ross:** I am not sure but I think they have. Mr. Treacy might comment on whether that is correct.

**Mr. John Treacy:** No. They have been going through the recent financial statements of the FAI and they have been briefed by Grant Thornton on those. That is where it is at.

**Deputy Shane Ross:** They have not seen them.

**Mr. John Treacy:** No. They have not seen the KOSI report and they will not.

**Chairman:** As another member pointed out, the directors cannot place themselves in jeopardy without having full and proper professional advice in every respect. It is the reassurance they need because if they do not have that they cannot take up those jobs. Is that not it?

**Mr. John Treacy:** Yes.

**Deputy Kevin O’Keeffe:** I apologise as my phone is ringing. There is a sports meeting on in Bandon. I hope it is good news. Is the Minister happy to deal with the FAI on a professional and official level when the incumbent chairman vacates his position? Is the Minister waiting for more heads to roll?

**Deputy Shane Ross:** We have already met its representatives.

**Deputy Kevin O’Keeffe:** That was without the incoming chairman.

**Deputy Shane Ross:** Correct.

**Deputy Kevin O’Keeffe:** Was that in an official capacity?

**Chairman:** The Deputy is referring to the incoming president.

**Deputy Shane Ross:** It was an official meeting and it was without the president. The meeting was at their request and we agreed to meet those representatives. I would absolutely jump at the chance to meet the independent directors when appointed, along with the new chairman.

**Deputy Kevin O’Keeffe:** When the current president steps down officially and the independent directors are put in place, the Minister will be ready to meet the FAI in an official capacity.

**Deputy Shane Ross:** I am ready to meet the independent directors the day they are appointed. I am ready to meet the other directors and the new president on their appointment. It will be straight away.

**Deputy Kevin O’Keeffe:** We are talking about the current directors, apart from the president, who is stepping down. Will the Minister meet the independent directors and the new chairman as a group?

**Deputy Shane Ross:** I will meet the independent directors, the new directors appointed last June and the new president on their appointment.

**Deputy Kevin O’Keeffe:** Who is the Minister leaving out?

**Deputy Shane Ross:** I am not leaving anybody out.

**Deputy Kevin O’Keeffe:** Is he sure?

**Deputy Shane Ross:** I am sure.

**Deputy Kevin O’Keeffe:** The Minister is not looking for any more heads.

**Deputy Shane Ross:** We are looking for appointments. We are looking for new people committed to reform and who are independent.

**Deputy Kevin O’Keeffe:** I thank the Minister.

**Chairman:** The next speaker was supposed to be Senator Paul Daly, who I appreciate was

here earlier. Should he return, I will take his questions as soon as he comes in. That will be fair to him. The order is the same as it was in the first round so we will have Fine Gael, Fianna Fáil, Sinn Féin and so on.

**Senator John O'Mahony:** I will be brief. Mr. Treacy mentioned that Sport Ireland invited the FAI in twice in 2018 and it turned down the invitation both times. Will he give us some more information on that? For example, what were the dates in 2018 and what reason was given for not coming in? What was the response of Sport Ireland and did it not raise a red flag in itself? There was continuous speculation that the association was in difficulty even at that time. Is there more detail on that? I also have a question for the Minister of State, Deputy Griffin.

**Mr. Colm McGinty:** I can clarify the point. The first invitation was issued towards the end of 2018. It may have been the November board meeting. The former chief executive officer was not available as it clashed with Ireland's away game in the UEFA Nations League in Denmark. The second invitation was for the next meeting, which may have been the December meeting. The former chief executive was not available as he was out of the country attending to business in his role with UEFA. There was an executive meeting in UEFA and it was essentially a clash of dates. We were working on other dates and there was a date in the diary for the first quarter of this year that seemed to suit all parties. However, *The Sunday Times* article was published on St. Patrick's Day and events quickly overtook us. The very next meeting of the board of Sport Ireland was the time when the decision was taken to suspend and withhold funding to the FAI.

**Senator John O'Mahony:** The first invitation was in November 2018. Was Sport Ireland comfortable in that four months before *The Sunday Times* article was published? I am sure the former chief executive was not travelling all the time.

**Mr. John Treacy:** The board meets on a monthly basis. We meet in November and December before we meet again in February. At that stage there was not a great urgency and we were trying to fit in with everybody's schedules. We invite in the governing bodies during the course of the year but we can really only take one at a meeting. We deal with 65 governing bodies of sport. Usually when the governing bodies come in, it amounts to an hour. If it is done properly, it takes an hour to exchange views.

**Senator John O'Mahony:** What would have been on the agenda for the meeting?

**Mr. John Treacy:** Essentially, a body like the FAI would give an update on the programmes it ran. We would also hear if there were concerns or worries. It was that type of meeting.

**Senator John O'Mahony:** The fact that the meeting did not happen did not raise any red flags.

**Mr. John Treacy:** We would have liked to have seen them when we issued the first invitation, as we would with the second invitation. We were told they were not available. We cannot put a gun to someone's head.

**Mr. Colm McGinty:** The invitation was issued on foot of previous attendance by the chief executive of the Irish Rugby Football Union, IRFU, in September last year. The October meeting would have been attended by the Ard-Stiúrthóir of the Gaelic Athletic Association, GAA. It was part of the series of meetings with the IRFU, the GAA and the FAI. The chief executives of the bodies have very busy diaries and it is not always possible to align dates.

**Senator John O'Mahony:** Did other governing bodies have similar clashes in dates? Was the FAI the only governing body with such a clash?

**Mr. Colm McGinty:** As secretary to the board, I cannot recall a specific example but it is fair to say, when arranging meetings with governing bodies, that it is always a challenge to align diaries between the chief executives of very busy organisations and the high-profile roles. It is for various reasons, and people can be out of the country at international competitions, etc.

**Senator John O'Mahony:** I thank the witnesses. The Minister of State, Deputy Griffin, mentioned earlier all the governing bodies that have signed up to the code of governance. Is the information on who has signed up to the code or who is yet to sign up in the public domain? I know the numbers but I am talking about names.

**Deputy Brendan Griffin:** Sport Ireland has the information. Is it available publicly?

**Mr. John Treacy:** Yes. We can get those for the Senator.

**Senator John O'Mahony:** That would be great.

**Chairman:** Deputy Jonathan O'Brien will share time with Deputy Quinlivan.

**Deputy Jonathan O'Brien:** Deputy Quinlivan can start as I have a couple of questions.

**Deputy Maurice Quinlivan:** I thank the Minister, Deputy Ross, and the Minister of State, Deputy Griffin, as well as their officials for attending today. The Minister, in response to a question, indicated that if the FAI goes, the League of Ireland goes too. That has sent a shock across the State and people have been in touch with me since the Minister made that statement. Will he commit that whatever happens, the League of Ireland will be protected?

I have a number of specific questions on Limerick FC. I mentioned them briefly to the Minister of State, Deputy Griffin, earlier. Is the Minister aware that the Limerick FC club is being wound up? Was he aware of the difficulties facing Limerick FC prior to last week's announcement? Had he any discussions on the problems at Limerick FC? As sports Minister, does he have any intention of stepping in to try to save the club, which has existed since 1937? As things stand, next season's Airtricity League first division will have nine clubs if Limerick FC is not there. The clubs left will face weeks with no games to play because Limerick FC will not be there. It is an historical team and people are employed there. I want to ensure the current position of Limerick FC is not lost in the absolute shambles of the FAI we are discussing today. The club has existed for 80 years. It is a core part of Limerick's sporting tradition and it is vital that it gets the support it needs.

**Deputy Shane Ross:** I will answer the question about the League of Ireland. I have deep concerns about it. It is principally a matter for the FAI as to what happens to it in a doomsday situation. We are trying to avoid that. That is our ambition. I am particularly concerned about the League of Ireland and I say this absolutely sincerely because I have felt for some time, as the Deputy does, that it had been neglected to an extent under the old regime. There is room for improvement and I have made this perfectly clear. When the independent directors come in, I intend to let them know that one of the great concerns we have relates to the League of Ireland. It is one of the forgotten stakeholders and it should be given greater consideration and respect for what it is doing. I will raise the issue of the League of Ireland specifically - I thank Deputies Quinlivan and O'Brien raising it - with UEFA on 14 January. I am not sure whether UEFA is aware of the vulnerability of the League of Ireland. I will certainly do this because the league

needs protection. Obviously, it is subject to the consequences of what has happened. Our ambition is very definitely to save football and to save the League of Ireland and see that it continues to flourish. I do not want to make any commitments, financial or otherwise, and I am not going to do so. I would not do that. I assure the Deputies that the representations they make are not falling on deaf ears. I will ask Minister of State to answer the question on Limerick.

**Deputy Brendan Griffin:** I was very sorry to hear about Limerick FC last week. There is a long and proud tradition of soccer in Limerick. There was so much hope in recent years and the club had been performing well until relatively recently, which compounds it. It is a huge pity. The licence is a matter for the FAI in terms of league participation. I acknowledge the fact that an uneven number in the first division present all sorts of difficulties in terms of the team that will have a by every week and the lack of gate takings for those clubs. Logistically, nine is a very small number to have in a league. Since the club has gone into receivership, a prospective buyer will be dealing with the banks. The Department would certainly be open to talking to any prospective buyer on how we could help and how other partners might help, for example, Limerick City and County Council. I know for a while the club had been playing in Thomond Park. There was a partnership with Munster Rugby. At the same time, we cannot really intervene in the day-to-day running of the club or operational matters for the FAI in the context of the league. The state of the overall league and its future security will be on the agenda for discussion with UEFA. I will be very keen to explore it and see what, if anything, can be done to safeguard the league.

**Deputy Shane Ross:** Prior to the meeting with UEFA, we are prepared to meet a representative specifically of the League of Ireland, if the Deputy is of the view that this would be helpful, in order that we can take that message with us.

**Deputy Maurice Quinlivan:** As stated, there is major concern about the Minister's statement that if the FAI goes, the League of Ireland will go. The Minister needs to address the issue more strongly than he has to date. I appreciate his response, which was quite good, but we need a commitment that whatever happens the League of Ireland will be protected in some form.

**Deputy Shane Ross:** Let us meet the representatives. We can set it up, or the Deputy can do so if he likes. Let us meet them. I am very happy to do so and take their message further. The Deputy is making a fair point. The League of Ireland teams are sometimes forgotten and it is not reasonable that this should be the case. Certainly, we will set up a meeting-----

**Deputy Maurice Quinlivan:** Going back to Limerick, one reason it was probably forgotten is because the League of Ireland was forgotten by the FAI.

**Deputy Brendan Griffin:** I would love to give a commitment of the type the Deputy is seeking but we are back to the fundamental question of whether we bail out the FAI. That is the other side of it. Again, there is so much collateral damage and it is very serious. That is one of the risks. It is hypothetical at present and that is why we will meet UEFA and why we will explore all options to see what can be done.

**Chairman:** The Minister is indicating that he is under pressure.

**Deputy Shane Ross:** I have 15 minutes.

**Chairman:** I ask the Minister to wait until we hear the next couple of speakers.

**Deputy Shane Ross:** Fine.

**Deputy Jonathan O'Brien:** I have a number of quick questions. The Minister stated earlier that the FAI is a going concern in his opinion. That is not the opinion of the auditors. I want to put this on the record. The auditors have indicated that they do not know whether the FAI can meet its liabilities and that, therefore, they cannot support the assumption that it is a going concern. On what basis is the Minister making the assumption the FAI is a going concern? That is my first question. If the Minister wants to answer it, I will come back in afterwards.

**Deputy Shane Ross:** The association is trading as a going concern. Its future is in some sort of peril, as we can see, but it is currently as a going concern.

**Mr. John Treacy:** It is the FAI's view that it is a going concern.

**Deputy Jonathan O'Brien:** I would not put much weight on the FAI's view in fairness. That is just my own opinion given everything that has happened.

**Mr. John Treacy:** Okay.

**Deputy Jonathan O'Brien:** Speaking not as a League of Ireland fan but as a football fan, we have had situations for years where League of Ireland supporters and clubs had been trying to explain exactly how the FAI operates. It has ridiculed us and laughed at us. It threw some of us out of football grounds for trying to expose the incompetence in the organisation. We had a situation where the FAI described the League of Ireland as the problem child. We were not the problem child. The FAI was the absentee father. Forgive my language because I am angry about this. The FAI was the absentee father. It did not give an absolute bollocks about the League of Ireland and continues to not care about the League of Ireland. Somebody needs to say this because it has not been said vocally enough. I apologise for my language.

**Chairman:** I can understand the Deputy's anger.

**Deputy Jonathan O'Brien:** I do not apologise for the sentiments behind it because there are a lot of League of Ireland supporters and football supporters out there who are really angry about what is happening. I am not going to get into reports or finger-pointing because I will respect what the Chairman asked me not to say at the start of the meeting, but we have a situation where Irish football is on the brink in terms of its future. We are reliant on an organisation that has proved it cannot operate with due diligence to be the guardian and saviour of Irish football.

I do not want to see a situation where the FAI is liquidated. I do not think anyone in the room wants to see it. The consequences are too great to comprehend at present. I am starting to come to the belief that if we are serious about protecting the future of Irish football we may end up with a scenario whereby the FAI goes into examination. While it is in examinership an alternative structure could be put in place to take it back out examination. If that were to happen, it would require financing and possibly State financing. That the only way we will protect the national teams and the leagues as well as grassroots football. It is the only way it can be done. If it is liquidated under the articles of UEFA, the domestic leagues and the national teams will be gone. They will all be gone. Whatever our opinion of the FAI and its management structure, we cannot allow a situation where the FAI is liquidated because the consequences are unbearable to think about. If it goes into examinership, somebody has to step in and we must be preparing for that eventuality now. It might never happen but I do not want to wake up and find that the FAI has gone into examinership and we are not prepared to take it back out and protect Irish football. That is the responsibility of the Minister, all of us and football fans throughout this country. We need to start preparing for that.

I welcome the announcement of the 60 regional development officers that will be put in place. There might be a misunderstanding about how this operates. Those officers provide the coaching, they do not answer the phones or organise schools to compete in programmes. Who is going to do all of that if we are not funding it? We can provide the funding for development officers who will provide the coaching but if there is no one organising soccer schools and kits to be delivered, how does it work?

**Deputy Shane Ross:** I am *ad idem* with almost everything the Deputy has said. We hope that the FAI will co-operate but there is no sign of full co-operation yet. We want a completely new chapter. We will reduce the risk of things like examinership and liquidation and it is right that the Deputy has raised those issues. We will reduce the risk of that immediately through independent directors coming in and that will mean more confidence in the FAI from the stakeholders including UEFA, the banks, the FAI itself and ourselves. We might be considering changing the name of the organisation but whatever it will be called, we are looking for the moment that door is unlocked. We might have a real opportunity to do the sorts of things the Deputy is talking about, specifically with the League of Ireland. This could be a chance for something radical and some real reform could come out of this. We are staring into a chasm but there are opportunities to correct something that has been going wrong for many years and respond to the things the Deputy is talking about, particularly with regard to the League of Ireland. We will have an entirely new group of people involved who are not captured by the prejudices and loyalties of the past. I hope we will have an opportunity in the coming days and weeks to get a strong chief executive in place because that is vital. We need a strong group of independents who will turn their backs on the past. We need a strong new chairman and we can set the example from the top. That is not the solution but it is part thereof, as everyone here recognises.

The principal problem has been diabolical corporate governance and if we can sort that out, we will soon sort out the confidence issue. We will be able to move on to the details thereafter, some of which are not our business, although the Deputy has addressed them, and many of which are symptoms of the things that are going wrong. Our ambition and determination is to get those particular parts in place shortly and we can then address the issues about which Deputy is talking.

There are sensitivities about us getting too involved which we will not breach. Government policy and confidence are important factors. We will have confidence if we see steps to reform that are radical enough to satisfy the requirements of corporate governance and begin to set in train an improvement in the finances.

I agree with everything the Deputy said. We are meeting SIPTU this evening as a matter of urgency in order to hear more of the sorts of things the Deputy is saying because they are important to us. We recognise the suffering that has been inflicted on people but we also recognise their importance as stakeholders and the contributions they will make to the FAI, or whatever the organisation might be called, in the future.

**Deputy Jonathan O'Brien:** What about the administrative staff that are needed?

**Chairman:** I am aware that Senator Mark Daly has not got in yet. I want to make the point that, based on what the Minister has said, the key appointment for change will be the independent chairperson.

**Deputy Shane Ross:** The independent directors.

**Chairman:** If those independent directors do not come in, is the whole thing a house of cards?

**Deputy Shane Ross:** We do not contemplate that happening.

**Chairman:** Those independent directors have not said they will come on board yet and that is the point.

**Deputy Shane Ross:** I know.

**Chairman:** Is that a danger?

**Deputy Shane Ross:** There are many dangers and we are trying to overcome them, one by one.

**Chairman:** I understand that. I am just pointing out a key point.

**Senator Mark Daly:** I apologise because I had to go to other meetings and come back and this question may have been asked already. In the interests of openness and transparency, the business plan that the FAI presented to the Minister on Monday should be provided and made available to the public. Is the business plan credible? If we are going to start a culture of openness and transparency, we should start with the business plan and it should have been circulated to the members of the committee. The FAI seems to be good at avoiding meeting Sports Ireland, the Minister and this committee. The FAI has previously supplied documents that we have seen and which are not credible. I ask the Minister to provide to the public by this evening the business plan that was proposed. The Government is being asked to bail out the FAI and we need to know whether there is any credibility to its business plan.

I also raise the competency of Deloitte as an auditor although I know it can only deal with the figures it is given. There must have been interest payments on the loan. Did Deloitte ever question the figures that were presented? I ask the Minister and Sport Ireland how many other sporting organisations are Deloitte the auditor for. How many tickets did Deloitte get from the FAI when it was the auditor of the association? That would be insightful. Deloitte did not do its job.

Has the Minister made any efforts to find out from the FAI whether the county organisations are being run on the same basis as the FAI? The culture that exists at the top could seep into every county. We are talking about reforms and legislation, as we were the last time the Minister was before the committee, and that things have to change. During the term of this Government, there has been the Olympic Council of Ireland scandal and boxing has been an issue because the people in control at the top of those organisations have got money from the Government but the Government is unable to do what is in the best interests of the sports because the guys at the top are controlling everything. Power needs to be taken back by the Department and Government because fiefdoms have been created by people in different sporting organisations which are not being run in the best interests of those organisations but of the very few at the top. There have been issues about the greyhound industry and there are issues now with the FAI. What legislation has been brought in during his term to stop those sorts of things happening since we found out about the Olympic Council of Ireland? Given the number of sporting organisations involved and the amount of time being wasted, is there a proposal that an audit will be done - I suggest by a company other than Deloitte - of those organisations? Instead of us having to bail out the FAI at Christmas in order to keep people who are in jeopardy of losing their jobs because of the incompetence of the bosses in their jobs, we must ensure that we will not be back here

again in six months or a couple of years' time discussing another sporting organisation that is being run by individuals for their own gain and profit. Is the Government proposing that there will be a forensic review? That is the only way it will work because the auditors seem to be beyond useless. They are off bolting doors after the horse, or the greyhound in some cases, has gone down the field. What does the Government intend to do and what legislation has been introduced since we started dealing with the issues relating to the Olympic Council of Ireland?

I want to raise another issue regarding what was brought up here about pension entitlements-----

**Chairman:** Did we receive correspondence on that?

**Senator Mark Daly:** I did.

**Chairman:** Sport Ireland sent us correspondence on that. We got an answer to the question about the different schemes.

**Deputy Shane Ross:** The Senator asked about the plan that was given to us. The word "confidential" was written all over it.

**Senator Mark Daly:** Confidential to whom.

**Deputy Shane Ross:** I presume that those involved do not want it released.

**Senator Mark Daly:** The Minister should release it.

**Deputy Shane Ross:** It would be difficult to do that. When someone gives one a confidential document-----

**Senator Mark Daly:** It is not a legal document.

**Chairman:** Let the Minister answer the question.

**Senator Mark Daly:** He could ask the FAI.

**Chairman:** The Deputy should allow the Minister to answer the question and then he can ask additional questions.

**Deputy Shane Ross:** I told the members, and maybe I should not have done, that there was an €18 million figure to give them the scale of the demands they were making and to assure them that it was not a credible document. It had the word "confidential" written on it. I will not breach that but I am quite happy to tell the Senator that it was not a credible document. I can tell him, specifically, that it was a request for a bailout and it was not, therefore, something we could consider seriously.

**Senator Mark Daly:** Who drafted it?

**Deputy Shane Ross:** The FAI, presumably, drafted it.

**Senator Mark Daly:** Were auditors or a financial body involved?

**Deputy Shane Ross:** Grant Thornton gave them some advice on it.

**Senator Mark Daly:** Yet it is not a credible document.

**Deputy Shane Ross:** It is not a credible document because the association is seeking €18 million. That is not something we are prepared to consider for a moment. That is the answer to the Senator's question. As to whether the Government is considering looking at all those organisations in terms of audit, Mr. Treacy might answer that question.

**Mr. John Treacy:** We regularly audit all of the sporting organisations. We will be auditing 14 next year. We did eight or nine this year. We will be continuing to do that. We do use Deloitte but we use other auditors also. We just need to be careful that we do not cast aspersions on one particular firm. I understand the point the Senator made in terms of the misses around the FAI but at the same time we need to be careful. I have to say that we get audits from Deloitte and they are very good.

**Senator Mark Daly:** On the legislation proposed since the Olympic Council of Ireland debacle, will there be any change to the way sporting bodies will be governed? Almost every year there is a scandal about a sporting organisation. The Sports Council does not have all the powers. It cannot go into an organisation and start opening filing cabinets. We discussed previously the question of having such powers. Changing personnel is a way of saying that we will ensure the ship is run better by getting a better captain. The problem is that the super structure is always wrong. It seems to be that if there is a bad egg in a sporting organisation, they can do whatever they want. They run the show. They hire and they fire, and there is no accountability. We have seen that time and again. To come back to the question, does the Minister have the answer? He might supply it to the committee. Someone might ask Deloitte if it got tickets from the FAI, the number involved and whether it paid for them. What we are trying to establish here is the credibility of the organisation. First and foremost, these are the people who should have raised red flags. We had this previously with the banking crisis. Here we are again, with another group of auditors saying, "We have enough caveats on this that we are not responsible for anything that goes wrong but we will get paid a lot to do it".

**Mr. John Treacy:** If I may come in on that, we discussed our revised terms and conditions of grant aid in the context of full audits of the NGBs. We need to remember also the role and responsibilities of the boards of the organisations that are running sport in the country. I refer to all the corporate governance work we are doing with them in terms of ensuring they know what their duties. The board of the FAI, in this case, has responsibility for the organisation and how it is run. What we can do is provide the guidance and the training they need, as we do in terms of organisational development and change. All that structure has been in place for the past number of years but if, hypothetically, a rogue chief executive or someone comes in-----

**Senator Mark Daly:** I do not need a hypothetical-----

**Mr. John Treacy:** It is the board's responsibility to ensure the organisation is properly governed. It is as simple as that.

**Senator Mark Daly:** Can I ask the Minister-----

**Chairman:** We heard from the directors that all information given to the auditor is all the information they have. Is that not the point?

**Mr. John Treacy:** That is the point.

**Chairman:** Mr. Treacy makes that point in his opening statement.

**Senator Mark Daly:** Before the Minister leaves, could I ask him to ask the FAI if it will

allow him release the business plan?

**Deputy Shane Ross:** Absolutely, yes. I am sorry but I have to go.

**Chairman:** The Minister did indicate that he has to leave. He has been here-----

**Deputy Marc MacSharry:** The Minister is relieved. My questions are for others. I thank the Minister.

**Chairman:** The Minister will be followed by the press.

**Deputy Ruth Coppinger:** What is the order now?

**Chairman:** The order has not changed. Initially, the order was Senator O'Mahony, Deputies MacSharry, Jonathan O'Brien, Catherine Murphy and Coppinger, Senators Ó Céidigh and Feighan, Deputy O'Keeffe and Senator Mark Daly. Senator Mark Daly was not here when his turn came up so I moved on to Sinn Féin.

**Senator Mark Daly:** That is fine.

**Chairman:** We agreed that when the Senator arrived, he would get his turn. We started the second round then with Senator O'Mahony. As the Senator was not here, we went to Sinn Féin but as he is here now, he may come in. I am not upsetting the order. I will call the Deputies then.

**Deputy Ruth Coppinger:** I have to leave at 2 p.m.

**Deputy Catherine Murphy:** I have to leave as well.

**Chairman:** I have not asked any questions yet either.

**Deputy Jonathan O'Brien:** I have to leave at 2 p.m. as well.

**Deputy Marc MacSharry:** I will be brief. I just want to make a few quick points.

**Chairman:** We all have a duty to due diligence in terms of our work here. In fairness to everybody, we are all doing that. We have been here since 9 a.m.-----

**Deputy Ruth Coppinger:** All of us have been here since 9 a.m..

**Chairman:** -----so if we need to reconvene, we will do so. There is no problem. I am sure the Minister will come back if we want him to do so.

**Deputy Marc MacSharry:** This question is for Mr. Treacy. Following on from what Deputy O'Keeffe said earlier, there was a discussion about a draft KOSI report. I was not in the room. I was trying to use my time efficiently so I was watching the proceedings in my office at the time. That question was not answered. The Minister said that he did not see any draft reports and that he only saw the final report. Can Mr. Treacy confirm that there was a draft report?

**Mr. John Treacy:** There was a draft report, yes.

**Deputy Marc MacSharry:** Did Sport Ireland submit comments on that?

**Mr. John Treacy:** Yes, we did.

**Deputy Marc MacSharry:** Did the FAI do the same?

**Mr. John Treacy:** Yes, it did.

**Deputy Marc MacSharry:** Who in the FAI saw it?

**Mr. John Treacy:** The financial people who were dealing with it and some members of the board.

**Deputy Marc MacSharry:** Did all the remaining six directors see it?

**Mr. John Treacy:** I am not quite sure about that.

**Deputy Marc MacSharry:** We would be interested to know that; Mr. Treacy might send us a note. There was a draft. As we are not allowed to see it, Mr. Treacy cannot tell us what comments he made on it. That is also unfortunate.

I think I know the answer but I ask this for the record. In his opening statement the Minister said the KOSI report had found that State money was spent on what it was supposed to be used for. Why would we not be not be confident - or have an element of confidence - in the new set-up?

**Mr. John Treacy:** It would be because of other elements in the report.

**Deputy Marc MacSharry:** Can Mr. Treacy share those other elements?

**Mr. John Treacy:** I cannot share it.

**Chairman:** Mr. Treacy has made that clear and we have accepted that is the case.

**Deputy Marc MacSharry:** It is not tolerable. Given the seriousness of the issue-----

**Deputy Brendan Griffin:** The point is that because of the overall financial situation, that money could-----

**Deputy Marc MacSharry:** That is what I wanted on the record.

**Deputy Brendan Griffin:** That is the reason.

**Deputy Marc MacSharry:** I thank the Minister of State; he has answered the question.

On the KOSI report, I feel the committee should ask the Government to consider introducing legislation, which can be done very quickly, to give the members of this committee rights to see that report. It was done with the banking inquiry.

**Chairman:** I think-----

**Deputy Marc MacSharry:** I am just suggesting it. I do not even want a response. I am just putting it out there.

As part of our research for this, everyone has been googling and looking at stuff. I read an article from about ten years ago about what was then the Irish Sports Council. With the benefit of hindsight did the Irish Sports Council miss an opportunity when matters relating to the FAI were being raised by a number of then directors?

**Mr. John Treacy:** I do not think so. We did audits of the FAI and continue to do it. We got good reports. At the time we were being accused maybe of being heavy-handed with organisations. That is one of the things we are trying to balance. We got good reports of what the FAI was doing on the ground.

**Deputy Marc MacSharry:** The issue then involved two or three directors. It ended up in court and I am not getting into the detail of that. Those members of the board at the time were seeking to raise concerns about the FAI's finances ten years ago. Maybe if we had embraced that-----

**Mr. John Treacy:** No evidence was ever produced to us.

**Deputy Marc MacSharry:** No evidence was ever produced. Okay. When it was raised at the time it was pushed back by the rest of the board in the Irish Sports Council.

**Mr. John Treacy:** It was discussed at the board. I cannot recall what was discussed ten years ago.

**Deputy Marc MacSharry:** It might be useful information. Mr. Treacy might be able to send the committee a note on that. I know that the Irish Sports Council became Sport Ireland. In my research I found an *Irish Independent* article which reported that a row had emerged between three directors and the rest of the board and it centred on the FAI.

**Mr. John Treacy:** No, it did not.

**Deputy Marc MacSharry:** It was the impression I got.

**Mr. John Treacy:** No, it did not. It centred on leaks from the board of Sport Ireland.

**Deputy Marc MacSharry:** I am quoting from an article.

**Mr. John Treacy:** I am telling the Deputy what it emanated from.

**Deputy Marc MacSharry:** That is grand; I am just quoting from an article.

**Chairman:** It is a serious point. Does Mr. Treacy want to finish his point?

**Mr. John Treacy:** There were issues in terms of behaviour of board members. I will leave it at that.

**Deputy Marc MacSharry:** Okay. That is fair enough. Between now and our next meeting, I ask Mr. Treacy to send the committee a note on that because I think it is a legitimate question. I am quoting from an article from the *Irish Independent*. Mr. Treacy and other people know the facts; the committee does not. There is an element of relevance, albeit that Mr. Treacy might be able to give us an answer indicating that there is nothing to see here. It is a legitimate question. While I appreciate I have just sprung it on Mr. Treacy now, I will get him the *Irish Independent* article that made me ask the question. It is from seven or eight years ago.

I am conscious that the Minister, Deputy Ross, has gone but no doubt the Minister of State, Deputy Griffin, speaks for the Government. Up to very lately the Government position was that we needed a total clear-out of the FAI. Is the total clear-out complete or did the Government have any issues either with the current executive lead or the other five directors who joined the board since July? I ask that for two reasons. First, Fianna Fáil is interested in moving this thing forward. Second, these people are entitled to their reputations. If there is confidence in them,

they are entitled to hear it from the Minister of State today. If there is not, the nation also wants to know that the clear-out is not complete, that X and Y still have to go and that the Government is still not content. Can we have some confidence today to say that we are happy with the six we have? I am still in the dark as to when the independent directors will be appointed. Who are they? Who is appointing them? When will it happen?

**Deputy Brendan Griffin:** No one wants this to move forward more than the Government. We want to see the independent chairman and independent directors in place. We want to see an independent chief executive appointed as quickly as possible. We are happy to work with those people and do our best to move this forward and achieve progress. Earlier we discussed the process of appointing the independent directors, which should have started earlier. We are where we are. As the Minister, Deputy Ross, said earlier, we want to meet those people the day they are appointed and get stuck in. Unfortunately, we are not at that point yet, but we want to get there and we want to work with those people.

**Deputy Marc MacSharry:** Is the clear-out complete?

**Deputy Brendan Griffin:** It is not complete. We are looking for a new chairman and a new chief executive.

**Deputy Marc MacSharry:** That is not a clear-out; that is an appointment. Of the existing team of directors-----

**Deputy Brendan Griffin:** We met directors on Monday night. Whereas they did not get the outcome they wanted, it is important that there is dialogue and a relationship there. We know that we are far from complete in terms of the line-up we need to have.

**Deputy Marc MacSharry:** Chairman, I am just trying to get the answer. There are six people there-----

**Chairman:** There is one. I think the president still has to go-----

**Deputy Marc MacSharry:** Does somebody still have to go?

**Chairman:** -----before there is a completely new board.

**Deputy Marc MacSharry:** The president is going in January; we know that.

**Chairman:** He has not gone yet. He is still there.

**Deputy Brendan Griffin:** Mr. Conway has indicated that he will leave in January.

**Deputy Marc MacSharry:** Is there anyone else?

**Deputy Brendan Griffin:** No. I think that is it for now-----

**Deputy Marc MacSharry:** Are we happy then?

**Deputy Brendan Griffin:** -----as far as I am aware. As we discussed earlier, if further information comes to light later, that will change the situation. We are very much dealing with hypothetical situations at present.

**Chairman:** I have to move on.

**Deputy Brendan Griffin:** We have been over this already today.

**Chairman:** I accept that. I just want to respond to one point Deputy MacSharry raised. The KOSI audit happened because we insisted there should be a forensic audit of the organisation. Nobody wants it more than I do, because I had to ask the FAI president, Mr. Conway, three times to do it and each time he did not commit to it. However, now that audit has been done. The Minister said:

I have also consulted An Garda Síochána, which has advised me that the matters outlined in the KOSI report are central to its investigations and those of the ODCE. The Garda has further advised me that making the report public at this time could have serious implications for any criminal proceedings subsequently brought by the Director of Public Prosecutions.

That is a very clear position that we have on that. The committee has agreed. We have made sure that there is no questioning which would put that in peril. Notwithstanding the Deputy's suggestion that we should all have a copy of it, I think it is the last thing we should get before the Garda confirms it is finished with it, irrespective of what it does with it.

**Deputy Marc MacSharry:** I am thinking about the ODCE audit.

**Chairman:** I am just saying it should go through due process on that.

**Deputy Catherine Murphy:** On the KOSI report, people have a problem that when clear wrongdoing is identified, nobody is held to account. A report has gone to the Garda and the ODCE. I certainly want to see a successful outcome to that if possible because that would restore confidence. In the view of the Minister of State, in the absence of a guarantor, be that UEFA, FIFA or the Government, is bank re-financing an option?

**Deputy Brendan Griffin:** I am not an expert on financial matters but from reading of the figures it would not be likely.

**Deputy Catherine Murphy:** It is unlikely to happen in the absence of a guarantor, which shows the importance of establishing a high-level group to find a solution. Is this type of engagement happening between Sport Ireland, the Department and the Minister, Deputy Ross?

**Mr. John Treacy:** UEFA is central to the process. That should not be forgotten. The Minister, Deputy Ross, is keen to meet with UEFA this week or early next week but-----

**Chairman:** The 14th was mentioned, which is some time away.

**Mr. John Treacy:** That engagement is central to this piece. Perhaps Mr. Spratt would like to comment.

**Mr. Kenneth Spratt:** The Minister offered to meet with UEFA this week, if needs be.

**Chairman:** The week of the 14th was mentioned.

**Mr. Kenneth Spratt:** It is confirmed for the 14th but the Minister did say he would be available Monday or Tuesday next week, the latter being Christmas eve, but UEFA is not available then. The nearest date on which it is available is 14 January.

**Chairman:** If anything happens in the meantime, what then?

**Deputy Catherine Murphy:** There is some urgency in that the Minister and UEFA are going to meet very soon. They have to be central in all of this as, I believe, does FIFA.

**Deputy Brendan Griffin:** They are. In our recent engagement on the FAI, I pointed out that as a large organisation FIFA has the means to help and it is in its interests to help. The FAI is a member football association. FIFA has a role to play here.

**Deputy Catherine Murphy:** In the absence of a domestic league, there would not be an international league.

**Deputy Brendan Griffin:** The doomsday scenario is that if the domestic league is wound up international teams do not participate.

**Deputy Catherine Murphy:** Am I correct that having a domestic league is a prerequisite to having an international team?

**Deputy Brendan Griffin:** I am not certain about that.

**Deputy Catherine Murphy:** That is my understanding. Perhaps the Minister of State will have it checked out and come back to me on it.

**Deputy Brendan Griffin:** We are trying to avoid the doomsday scenario. These are the issue we want to discuss with UEFA.

**Deputy Catherine Murphy:** My question is one that I would have expected the Minister of State, Deputy Griffin, as Minister with responsibility for sport, to be able to answer. When we speak about doomsday we need to know what doomsday looks like.

**Deputy Brendan Griffin:** It is pretty clear that if the FAI does not exist, there can be no domestic league.

**Deputy Catherine Murphy:** If there is no domestic league, there can be no international team.

**Deputy Brendan Griffin:** I would imagine that if there is no FAI, there would be no international team. The Deputy's question is whether the FAI can exist with only an international team and so on. I will have to check that out.

**Deputy Catherine Murphy:** I ask the Minister of State to come back to me on the scenarios.

**Deputy Brendan Griffin:** We are all aware that all of the potential scenarios are not good. From the Government point of view, we are working to avoid any scenario that would be negative to Irish soccer. We are working to get the funding to the front line through the youth sports programme and we have restored funding to the international women's team. We are anxious to meet with UEFA.

**Deputy Catherine Murphy:** I would appreciate it if the Minister of State would come back to me with that piece of information.

**Deputy Brendan Griffin:** To be clear, the Deputy wants to know if the FAI-----

**Deputy Catherine Murphy:** I want to know the consequences if there is no domestic league.

**Deputy Brendan Griffin:** My understanding would be that if there is no domestic league, there would be no need for the FAI and, therefore, there would be no international team.

**Deputy Catherine Murphy:** What happens next summer in terms of competitions and our relationship with-----

**Deputy Brendan Griffin:** Obviously, without an international team we could not participate.

**Deputy Catherine Murphy:** We need to flesh out that scenario because it brings into sharp focus exactly what we are talking about.

**Deputy Brendan Griffin:** If the FAI folds, our international team will not be in a position to participate and so the game in Slovakia in March will not take place. Again, that is a hypothetical situation. We are trying to avoid that scenario.

**Deputy Catherine Murphy:** We all want to avoid that scenario.

On the skillsets, new independent directors have been appointed and more are to follow. These are, in the main, volunteers who may also have full-time jobs. Are they have sufficiently resourced in terms of expertise to work through the current crisis or is additional expertise required?

**Mr. John Treacy:** Mr. Aidan Horan is continuing to support the organisation in a meaningful way. There are professional staff within the organisation and they are progressing the work. The four independent directors bring a level of expertise to the board. There are also people on the board who are engaged in the current IPA course being run by Sport Ireland. Obviously, the independent directors would already have this expertise, which will enhance the board. The governance review sets out what needs to be put in place. This is set out in black and white for the organisation as well.

**Deputy Catherine Murphy:** We have been told that the FAI believes that it is a going concern, although the auditors have raised a red flag in that regard. Is it a going concern on the presumption of State funding, UEFA funding, FIFA support or is any of that known?

**Mr. John Treacy:** All of the above. It probably needs all of the support it can get in terms of where it is.

**Deputy Catherine Murphy:** Is it assessed as a going concern on that basis?

**Mr. John Treacy:** No. It is mainly around UEFA supporting the FAI and its sponsorship income. That is what it is relying on predominantly.

**Deputy Catherine Murphy:** That is a major source of concern. There are people who, having worked with other organisations, have expertise in this area, including Brendan Menton and Sarah Keane, in terms of her hands-on approach to the restoration of an organisation. The committee could usefully hear from such people if we are holding another session in the new year. We should have another session because this is going to be an ongoing process.

I do not think the new directors of the FAI are helping their case in terms of their communications strategy and how they are working through the 78 recommendations. It would be far better if they gave a constant update on where they are in the process. That would be of assistance to people and sponsors who have concerns in terms of reputational damage and so on.

**Deputy Brendan Griffin:** I can give the Deputy a breakdown of the 78 recommendations. Earlier, I referred to the fact that there is a KOSI implementation group between Sport Ireland

and the FAI. On the governance review group and the oversight group, there were 78 recommendations, 16 of which were considered priorities. Of these 16, 11 have been implemented and five are in progress. In total, 30 of the 78 recommendations have been implemented or completed, 20 are in progress and 28 have not yet commenced. I do not have the specifics in this regard, which I accept would be useful.

**Deputy Catherine Murphy:** We need the specifics in regard to each recommendation.

**Deputy Brendan Griffin:** Which ones, specifically?

**Deputy Catherine Murphy:** We need specifics around the ones that have been implemented, which ones are outstanding and why they are not being implemented. That type of information will be helpful.

**Mr. John Treacy:** We can share that information.

**Deputy Catherine Murphy:** In regard to Deloitte, in 2014, 2015, 2016 and 2017 it was paid €88,000, €106,000, €103,000 and €135,000, respectively. The total amount for tax and audit advice over four years was €430,000, which is an awful lot of money. Some of those accounts had to be restated. There are other issues in regard to FRS102, which is about related parties. One would expect to see that in a set of accounts, where somebody who purchases jerseys or goal posts is related to a member of the board. In this regard, there was nothing recorded for 2017. There was also nothing recorded for 2014 or 2015. Rigour was not demonstrated in those accounts. I am using this as an example for Sport Ireland. In addition to internal audit, does Sport Ireland look at what might be missing or at how routine accounts are, which may suggest they are almost copied and pasted?

**Mr. Colm McGinty:** It is part of the mid-year review process. A review of the annual financial statements presented is carried out by the director of finance every year. This does not relate only to the FAI's accounts but to those of every organisation we fund. Over the years, Sport Ireland raised several queries about the FAI's accounts. We reported to the committee on queries raised about the 2017 financial accounts and the position with regard to net current liabilities and solvency. The FAI provided a response, which has been provided to members of the committee. That is just an example. Queries were raised about the FAI's financial statements every single year, as is the case for every set of accounts presented to us.

**Chairman:** I will make one point on that, which may be helpful. I have been informed by someone who looked at the accounts of the Irish Football Association in the North of Ireland, which has a turnover of €15 million, that its audit fees totalled less than €40,000. There is a huge difference between the situation here and there.

**Deputy Catherine Murphy:** I do not know the breakdown between fees for tax advice and audit is but we ended up with a tax liability, which may have arisen because the auditors did not have sight of some information.

**Chairman:** That is the fee. The other point made to me was that payments into people's pensions were not discovered by the auditor. I have been told that these would have been very easy to find if the question had been asked.

**Mr. Colm McGinty:** To clarify the situation in respect of the recently published financial statements and the revised 2017 statements, these are currently being reviewed by the executive of Sport Ireland. We will be going back to the FAI with a comprehensive series-----

**Chairman:** The audits did not show them up. That is the point.

**Mr. Colm McGinty:** It is a fair point.

**Deputy Catherine Murphy:** I will make a couple of other points very quickly with regard to structures. The number of people who will elect, for example, the next president is very limited. Does Mr. McGinty have concerns about that? Has Sport Ireland been talking to the FAI in this regard? That is part of its governance arrangements and it strikes me that this number may not be representative of the totality of the organisation.

**Mr. John Treacy:** The Deputy is correct. The FAI will look at extending the range of people it can put in. They will not come from the council itself but from a wider pool. The Deputy makes a very valid point. We need to ensure that we capitalise on the expertise available, probably not through an elected body.

**Deputy Catherine Murphy:** Concerns have also been raised with regard to underage structures. I refer to the under-13s and the relationship between their clubs and the league. There are serious concerns about the quality and sustainability of the underage game. Does Sport Ireland have concerns in this regard? Has it talked to the FAI about the issue, given that it falls under promotion of sport? Does Sport Ireland play such a role?

**Mr. John Treacy:** This issue has not come across our desk. We have not heard about it. Has Mr. McGinty heard anything on it?

**Mr. Colm McGinty:** No, not specifically.

**Deputy Catherine Murphy:** I can send Sport Ireland something in that regard.

**Mr. John Treacy:** The Deputy can send us something, if she would not mind doing so.

**Deputy Noel Rock:** I thank everyone for their perseverance today.

**Chairman:** We will finish after Deputy Rock's questions unless anybody else wants to make a contribution.

**Deputy Noel Rock:** I will keep to questions rather than making statements. What exactly did KOSI say about how much the FAI spent on Sport Ireland-funded work? When before this committee in April, Mr. Donal Conway said that the figure was four fifths, 80%. What did KOSI say on that?

**Mr. John Treacy:** I cannot get into the details but I can say that the funding we provided to the FAI was expended on the purposes for which it was given. I have received legal advice and that is what we are saying. We were well-covered in terms of the funding we provided. We were happy enough with what we sought in these audits and previous audits. I do not want to go any further than that today.

**Deputy Noel Rock:** Can Mr. Treacy say whether Mr. Conway's statement to the committee in April was accurate?

**Mr. John Treacy:** If I did, I would be commenting on the KOSI report.

**Chairman:** In fairness, it was decided earlier that the issues raised in the KOSI report are not germane to our debate today. I can clue the Deputy in if he wants. We have raised this with a number of people-----

**Deputy Noel Rock:** I have been watching the proceedings.

**Chairman:** I want to mention this to the Deputy. I have been very clear on this. An Garda Síochána has said that the matters outlined in the KOSI report are central to its investigation and those of the Office of the Director of Corporate Enforcement. Making the report public could have serious implications for any criminal proceedings. We have all been very conscious of that all day. In fairness to Mr. Treacy, we have to be consistent on this to protect the integrity of the report and to avoid compromising anything the Garda may do in this regard. That is the truth.

**Deputy Noel Rock:** Of course, I am simply trying to probe matters based on our previous hearings but that is fair enough. I understand the position. I will move on. Given that the FAI is often audited and that Sport Ireland often cites such audits as a sign of the health of a sporting organisation, does Mr. Treacy feel this sort of problem could exist elsewhere? As the Chairman has outlined, this sort of forensic audit only happened as a consequence of the insistence of the Chair and the committee. It has shown up a number of shortcomings in the regular audit process. Does Mr. Treacy feel this kind of problem could exist in other organisations?

**Mr. John Treacy:** If our funding represents more than 50% of an organisation's turnover, we do an in-depth audit of that organisation. We received the agreement of the FAI to carry out an in-depth audit in March, when this issue came up. Through the prompting of the Chair, we did a forensic audit. We have now changed our terms and conditions, as the Deputy will know. We will carry out in-depth audits of all the organisations in future. That has been agreed with the organisations. We do not need legislation to do this if we agree with the national governing bodies that it is what we are going to do, based on consent. That is what we are doing.

**Deputy Noel Rock:** Will Sport Ireland be looking at any other organisations retrospectively in the same way as it has looked at the FAI?

**Mr. John Treacy:** We certainly will be. As we said earlier, we are going to audit 14 sporting organisations next year. We will continue to do that. We have increased the number of audits we carry out over recent years. We will do a thorough job. We are doing a lot of training on corporate governance with the national governing bodies as well. By and large, when we carry out audits - and we have lots of experience in this - we do not find a great number of significant issues. If we find significant issues, we sit down with that organisation over the course of a year to ensure that such issues are addressed. The national governing body has to verify that with us. That process has been in place for quite some time.

**Deputy Noel Rock:** With regard to the restated accounts of the FAI, these were restated in 2016 and 2017 and the accounts for 2018 were released at the same time. Has consideration been given to going further back into the FAI's accounts to find the genesis of this problem and to find out when these problems originated within the organisation?

**Mr. John Treacy:** I do not know the answer to that question. The KOSI report went back a little further. The question is how far back do we go?

**Deputy Noel Rock:** Indeed. It might be a question to which Mr. Treacy can find the answer. I do not see how it could impinge on Garda investigations in any way. I may help give us a clearer picture. With regard to the current state of health of the FAI, notwithstanding the confidential figure that was inadvertently revealed by the Minister here a short time ago, do we have a sense of the FAI's overall position for 2019 as a going concern? We are getting to the

end of the year. Presumably, its position has eroded significantly further from when the 2018 accounts were published. There is a view that it is continuing to erode as time passes, for example, as a result of losing its main sponsor. Does the Department have a view on this?

**Deputy Brendan Griffin:** I do not want to reveal anything confidential. I gave a figure of €62 million earlier in the context where the debt stands. It is not good, but there are income opportunities as well that the directors are hopeful will result in an improved scenario. The reason we are meeting UEFA is to see if we can get this matter resolved, but the FAI will need serious assistance if it is to avoid a very stark situation in 2020.

**Deputy Noel Rock:** In terms of the Government's response, there is the direct scheme the Minister outlined earlier today and there is funding for the international women's team. Is that the limit of the measures the Government is willing to undertake or will there be further direct interventions?

**Deputy Brendan Griffin:** We have found a way of getting the money to the women's team. Under the youth field sports programme, we announced today that we are getting that money out to the front line. We are working with our partners and the relevant stakeholders. Again, we are talking to UEFA and will meet its representatives. The key thing to resolve this is to get the proper personnel in place in the FAI. Without the independent directors in place, it will be very difficult to resolve and it will be difficult for the Government to do what it potentially could do into the future. At present, there is no public trust in the organisation. KOSI Corporation Limited has stated quite clearly that the organisation is not in a position to receive public moneys. As long as that continues, it will be difficult for the Government to assist.

We are doing what we can and trying to resolve as much we can where that is within our power. Personally speaking, my priorities are the players at every level, the volunteers throughout the country who, in some cases, have given decades of service to soccer in Ireland, the staff in the organisation and the hundreds of thousands of passionate Irish soccer supporters of the League of Ireland, the international team or any other team. I am a passionate supporter of soccer so I want to help and try to get this resolved, but it will be very difficult. Nobody should be under the illusion that this will be easy because it will not be. It will be a massive challenge for all of us to get this fixed.

**Deputy Noel Rock:** I have a final question. Does the FAI have the money to pay the senior team ahead of the UEFA Euro 2020 matches? I presume there would be a conflict with UEFA intervening in respect of that tranche of funding.

**Deputy Brendan Griffin:** That is one of the challenges. I do not wish to reveal too much of what was presented to us as a confidential document on Monday, but it is not in a good place at all financially and significant assistance will be required to perform all of the ordinary tasks of a football association. I will not get into the business of where it would cut back or where it would or would not pay. That is a matter for the FAI and its directors, but they will need serious financial support to function.

**Deputy Tony McLoughlin:** I apologise for my late attendance. I have some questions for the Minister of State. One relates to funding of the League of Ireland and the prize money for clubs in the future. This is a huge concern for clubs. I have been a lifelong supporter of Sligo Rovers. Clubs are struggling to survive each year. Deputy MacSharry and I are big supporters of Sligo Rovers, and there is only one Rovers.

**Deputy Marc MacSharry:** That is for sure.

**Deputy Tony McLoughlin:** We see the fundraising that takes place in our local community to help Sligo Rovers to survive. There are many other clubs in the country in a similar situation. As we move forward will the overall structure of, and investment in, the league be part of the Government's role in the restructuring of the FAI?

**Deputy Brendan Griffin:** First, I acknowledge how important Sligo Rovers FC is to soccer in the north west. The team has a proud and strong tradition. We spoke earlier about Limerick FC and there is also Cork City FC in the case of Deputy Jonathan O'Brien. Clubs are very important to their fans and to the people who live locally. The structure of the League of Ireland and the prize money are matters for the FAI, not for the Government. We had a stakeholders forum in May and there were discussions about the league and all the things that need to happen. Ultimately, however, the FAI must have its house in order for all these matters to be resolved.

I have my own ideas on how I would like to see the league proceeding, what I think might be a better way forward for the league and so forth. It is not the role of the Minister or the Department to set preconditions or to advise on the league, however, it is a matter for the FAI to get it right. We know it is not performing next or near where it could be performing. I believe there is far greater potential for the League of Ireland, but this is something that would have to be done internally. That is why it is so important that there are proper structures in place and that the voice of the grassroots, supporters, volunteers and all the people who make soccer possible in this country would be heard and have an avenue to impact on decision making. It is clear that has not been happening and that is a big problem.

**Deputy Tony McLoughlin:** That is true. My next question is about outstanding payments promised by the FAI to grassroots clubs. A commitment of €50,000 was given to Ballisodare United recently. Also, there are payments to be made by the FAI in respect, for example, of developments where there has already been an announcement of sports capital funding. There is another one in place with regard to the redevelopment of the MacSharry development in Sligo town. This money was allocated under the sports capital programme along with FAI funding. Will these go ahead while audit investigations are taking place?

**Deputy Brendan Griffin:** I have made inquiries in the Department about how we can do this. The FAI is trying to get a handle on what has been promised, what facilities have gone ahead based on promises and so forth. That work is under way. I am keen to find out about that. I have made contact with a number of clubs in my constituency to ask about the situation in that regard. There appear to be different models of draw-down and different models regarding who is paying back the money or where the money comes from. In one club the funding was provided to the club from a finance agency and the FAI was due to pay back the agency, with the club only paying interest. A development went ahead on the basis of that set-up.

These are matters we are trying to get on top of in order to find out exactly what has been promised and what the implications will be if clubs have factored projected income they had been promised in the future into their business plans and if that income is not available now. The reason is that I am keen to help and make life easier for the clubs and the volunteers. We will see what we can do to help them because the last thing we want is clubs and volunteers who have been audacious enough to put facilities in place for their communities to then find themselves in difficult financial situations as a result of what, effectively, would be a broken promise. It is difficult to find a pattern even in terms of how those decisions were made, but we are trying to get on top of that.

**Deputy Tony McLoughlin:** With regard to the club with the commitment of €50,000, it has invested €350,000 in an all-weather surface, lighting and so forth over the past 12 months. The €50,000 is the final part of the money. It is vitally important that money would be made available because the contract has been signed and the work has been completed.

**Chairman:** I ask the Deputy, to get it right, to take it up with the Minister of State afterwards. I am sure he will help the Deputy in every possible way.

**Deputy Brendan Griffin:** If the Deputy forwards me the specific details, I would be happy to.

**Chairman:** I do not want to complicate the big picture here. We have a lot of-----

**Deputy Tony McLoughlin:** I have just one more question, Chairman.

**Chairman:** I welcome Deputy McLoughlin and he should not get me wrong. For the record, our staff have been here for over six hours with a 15-minute break and members are anxious to do other things as well. I am anxious to concentrate on the big picture. Notwithstanding that, the constituency picture is the biggest one of all. I would ask the Deputy to bear with me here.

**Deputy Tony McLoughlin:** In Drogheda, there is the Chairman's own club as well.

**Chairman:** I have already raised it. It was the first thing I said.

**Deputy Tony McLoughlin:** I am concerned about where we are at. Certainly, a lot has been trashed out already.

**Chairman:** I would ask the Deputy to be fair to us.

**Deputy Tony McLoughlin:** I would be concerned in my area. These are the concerns that have been expressed by people in Sligo-Leitrim.

**Chairman:** Deputy McLoughlin can raise them.

**Deputy Tony McLoughlin:** Finally-----

**Chairman:** I do not want to get into a row with Deputy McLoughlin over this-----

**Deputy Tony McLoughlin:** The Chairman will not get into a row with me.

**Chairman:** -----because he happens to be the Government deputy Whip in the Dáil as well. I ask the Deputy to stick to the big picture. The Minister of State will answer all the Deputy's questions about the other matters.

**Deputy Tony McLoughlin:** The Minister of State, in fairness, is well aware of these anyway, and I have asked him. Is he happy with the existing members of the board going forward?

**Deputy Brendan Griffin:** We have had this, I think, three times, already. We will go a fourth time. We have stated clearly we want to see the independent directors appointed.

**Deputy Tony McLoughlin:** I welcome that.

**Deputy Brendan Griffin:** We can work with the newly appointed people who came in during the summer. We want to see a new chair in place and we want to see a new independent chief executive in place. Mr. Conway has indicated that he is leaving in January. All of that

will help in terms of the relationship between Government and the FAI.

**Deputy Tony McLoughlin:** I welcome what the Minister of State said about the chairman and the three new directors. I refer to the existing people who are going back on the board. Is the Minister of State happy or has he done a trawl in relation to these people?

**Chairman:** None of the eight directors was on the board previously. One who had been has resigned.

**Deputy Tony McLoughlin:** They were.

**Chairman:** I understand he has resigned this week, to be helpful to the Deputy.

**Deputy Tony McLoughlin:** No, for the record-----

**Deputy Brendan Griffin:** I have already stated this previously.

**Chairman:** We have done it three times.

**Deputy Brendan Griffin:** What we have always said is that we want a fresh start here. We want new people in here who do not have a previous association with the board. That is why we had difficulty previously with people who were appointed to positions who we knew were very much immersed in the FAI previously. Had our concerns been taken on board earlier, I suspect that we would be further along the road in terms of trying to reach a recovery here. They were not taken on board and we are here now at the end of the year in this almighty mess. That is something that is very frustrating.

**Deputy Marc MacSharry:** I seek clarity on that point. I took it - it is our third lap on this issue - from the Minister of State's response that he is happy with the six who remain, not including the president, who is going in January and who resigned last week. I refer to the post-July six. That is what I took from earlier unless I picked the Minister of State up wrong.

**Chairman:** I took the same. Those are directors. The Minister of State stated that if other issues arise, and there may be other issues that arise, they would have to be dealt with. That is fair.

**Deputy Brendan Griffin:** Exactly. There may be matters that we do not know about and I do not want to be sitting here in three months. I merely wanted to clarify that we are going off what we know at present. Everyone can use hindsight at some stage in the future.

**Deputy Marc MacSharry:** Here and now, in real time.

**Deputy Brendan Griffin:** From what we know. Exactly. We need to work with those who are there to try to resolve the issues, but I must emphasise how important it is that the independent directors get in place quickly and that we get an independent chief executive in place without further delay. Every day that is wasted here increases the risk to the organisation.

**Chairman:** Everybody has had a fair run of the questions. I have only a couple. One of them, which was in the media recently, is that Mr. Brian Kerr and Mr. Niall Quinn have proposals. Has the Minister of State met them or is he aware of their proposals? Would it be helpful to meet them?

**Deputy Brendan Griffin:** The proposals, referring to Deputy McLoughlin's question earlier, are matters that a normal football association itself would organise.

**Chairman:** I think it was a rescue for the FAI.

**Deputy Brendan Griffin:** It is not the job of the Minister or the Government to decide on what models or structures there would be in terms of a league.

**Chairman:** I think it is not a league. It is separate. It is a whole rescue. I want to make the point because I told Mr. Niall Quinn that we would be discussing these issues in the public domain today. As a Member of the Oireachtas, I have a keen interest in it. I am not asking the Minister of State to commit to anything, but has he met them? That is it, really. It seems they are trying to separate the community from the commercial aspect of the game. Would that be fair?

**Mr. John Treacy:** That is a fair summary of it. We have not met them on it, to answer the question. In terms of everything we do around having strong organisations, when one fragments an organisation it goes against the grain. Sport should be governed by the national organisation and that is why one does not fragment it. It all should fit in, one piece after another. The development leads to talent identification. Talent identification leads to high performance. Fragmenting an organisation probably is not the way forward. Obviously, as was said here, the new organisation needs to give a great deal of time to the League of Ireland and to the underage development of the game and lift the whole organisation up now.

**Deputy Brendan Griffin:** It is important that there would be an avenue for such proposals and ideas, whether relating to the league, player development, grassroots or whatever, to get proper consideration.

**Chairman:** Mr. Treacy has answered the question I was going to ask. The crisis management here-----

**Deputy Marc MacSharry:** Will the Chairman let me just-----

**Chairman:** I just want to ask my question now.

**Deputy Marc MacSharry:** I am not asking a question. I want to make a point. My understanding, to help with the Chairman's first question, is that to split an organisation like that is against FIFA's rules. It will only recognise one federation.

**Chairman:** It might well be so. All I am saying is that a Member of the Oireachtas had the courtesy of inviting me to a meeting I could not attend on Monday last and I contacted Mr. Niall Quinn stating that I would be happy to invite them in here. I spoke to the clerk to the committee about it. What I am getting at is there is a great deal of goodwill out there. I want to make this point clearly. There is a crisis in the football association and I want to make sure that everybody who wants to have an input has a vehicle for doing that. Perhaps through here might be the way.

The question on the crisis management is that while I have every confidence both in the Minister and in Sport Ireland, in reference to Deputy Catherine Murphy's point, if there are any additional skills and expertise needed, these should be made available and the Minister should find a way to get these to them.

The other point is one I made earlier. I acknowledge the wish of the Minister to meet UEFA before Christmas. The fact that the meeting will not take place until 14 January concerns me. That is not a criticism. It seems the quicker that meeting can take place, the better. The downside of all of this is coming at us like an express train. Any time that is lost in getting a solution

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worries me. UEFA needs to be at the table. It needs to be there now. I agree with the Minister of State that it should meet him before Christmas. This will not get better. It will get worse. The implications for the national team, the league and young people are considerable.

**Deputy Brendan Griffin:** We have tried to meet it.

**Chairman:** I accept that.

**Deputy Brendan Griffin:** There is open and ongoing communication between the FAI and UEFA on an ongoing basis. It gives some reassurance. We are keen and if they can meet us before 14 January, the offer is open to meet before then.

**Chairman:** We will adjourn *sine die*, that is, after Christmas. We will meet as soon as possible if the FAI states it will come in. I thank everybody, particularly our staff. I thank the Minister of State, Sport Ireland and all my colleagues and friends.

The joint committee adjourned *sine die*.