



Sarah Cremin
Committees' Secretariat
Committee of Public Accounts
Houses of the Oireachtas Service
Leinster House
Kildare St
Dublin 2
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21/12/21

By Email Only: pac@oireachtas.ie

Ref: S0678 PAC33 – Horse Sport Ireland – Compliance and Governance Controls

Dear Ms Cremin,

I refer to your letter of 13th December 2021.

In line with the request of the Public Accounts Committee. I have set out in the attached briefing note the compliance and governance controls that relate to Sport Ireland's investment in Horse Sport Ireland.

Should the Committee have any further queries in relation to this matter, please do not hesitate to get in touch.

Yours sincerely,

A handwritten signature in black ink, appearing to read 'John Treacy', with a long horizontal flourish underneath.

John Treacy
Chief Executive, Sport Ireland

Background

Sport Ireland is the State Agency for sport in Ireland and was established under the Sport Ireland Act (2015). Sport Ireland channels funding through a network of recognised National Governing Bodies and Local Sports Partnerships.

Horse Sport Ireland was established following a decision of government. The underlying rationale was to bring Equestrian Sport and Breeding into one body. The previous National Governing Body, The Equestrian Federation of Ireland, transferred its powers and functions to Horse Sport Ireland in late 2007. Horse Sport Ireland is recognised by both the Olympic Federation of Ireland and the Fédération Equestre Internationale¹ as the legal successor of the Equestrian Federation of Ireland.

It is important to note that Sport Ireland's relationship, procedures and interactions with Horse Sport Ireland are fully focused on equestrian sport. Sport Ireland has no statutory remit in relation to breeding or studbooks.

Investment

As outlined above, Horse Sport Ireland is a Sport Ireland recognised National Governing Body (NGB). As an NGB, its remit spans across the equestrian sport sector in Ireland. There are sixteen disciplines within Horse Sport Ireland. The Federation Équestre Internationale (FEI) recognises eight of these disciplines including Show jumping, Eventing, Dressage, Para-Equestrian Dressage, Carriage Driving, Endurance, Reining and Vaulting.

Specific to the sport division of Horse Sport Ireland, the NGB delivers on a range of functions, and Sport Ireland provides funding to support this work. The rationale for funding is included as Appendix 1.

It is noted that Horse Sport Ireland is bound by Sport Ireland's Terms and Conditions of Grant Approval. Included in the Terms and Conditions is the requirement that all grant funding made available by Sport Ireland must be expended in accordance with the organisation's funding submission as approved in writing by Sport Ireland. Sport Ireland's investment represents a contribution to the overall cost of the programme. The National Governing Body also invests in programmes from their own independent funding streams. The funding streams under which Sport Ireland invests in Horse Sport Ireland are below

1. Core Funding
2. High Performance Programme Funding
3. International event/Major Games Funding
4. Dormant Account Funding

¹ Horse Sport Ireland received correspondence from FEI in 2014 confirming this position

5. Pentathlon Ireland 2011-2019
6. COVID-19 Funding

Details of some recent funding provided by Sport Ireland to Horse Sport Ireland is included in Appendix 2. The control and management arrangements as they relate to Sport Ireland's investment in Horse Sport Ireland are described below. There are eight layers of control in place

1. There is strategic alignment between Sport Ireland's commitment to the Performance and High Performance pillars in Ireland and Horse Sport Ireland's aims to develop a high performance programme that deliver medals and to grow participation through quality coaching, education, facilities and experiences. These aims are outlined in our respective strategies.
2. Sport Ireland operates a detailed grant application process for Horse Sport Ireland. Once received, grant applications are assessed by a Sport Ireland Senior Manager who discusses the applications with Sport Ireland's Chief Executive. Any application for funding is underpinned by a programme for action that must assist the achievement of Sport Ireland's aims and objectives. A subcommittee of the Sport Ireland Board considers grant applications for Core and High Performance funding and makes recommendations to the Board of Sport Ireland who are presented with a paper outlining the funding recommendations and the Board make the final decision on the allocation of funds to Horse Sport Ireland.
3. Sport Ireland has in place detailed Terms and Conditions of Grant Approval, which are reviewed on an annual basis for effectiveness and relevance. These Terms and Conditions are signed by Horse Sport Ireland annually, and are returned to Sport Ireland and retained on file. Amongst other things, the Terms and Conditions include a requirement to notify Sport Ireland in writing without of any matter which may jeopardise the organisation's overall financial viability.
4. Sport Ireland operates ongoing performance monitoring of Horse Sport Ireland programmes in which we invest throughout the year. There is regular and ongoing liaison between Sport Ireland and Horse Sport Ireland at various levels. Sport Ireland meet periodically with Horse Sport Ireland to discuss performance, progress and any issues that may arise. Sport Ireland staff also perform periodic verification visits to observe courses, seminars, grassroots programmes and other work undertaken within the scope of funding. Horse Sport Ireland provide comprehensive information to Sport Ireland on their funded programmes, events and levels of participation throughout the year. This includes submitting an interim report and end of year report.

5. Horse Sport Ireland are required to submit their Financial Statements and a note from their AGM to Sport Ireland on a timely basis. **The Financial Statements must include an auditor's statement confirming that the Sport Ireland grant was expended for the purposes for which it was intended.** Sport Ireland's Financial Controller analyses the Financial Statements submitted by Horse Sport Ireland and highlights any concerns or questions that may arise. All queries must be satisfactorily progressed and addressed before future funding is released.

6. At the direction of Sport Ireland's Audit & Risk Committee, Horse Sport Ireland are periodically audited. Horse Sport Ireland were audited in 2021 in relation to the COVID-19 grant awards in 2020 where Horse Sport Ireland were awarded €1.2million in grant funding. The report by KOSI concluded *"that Excellent Assurance can be placed on the adequacy and effectiveness of the internal financial controls in place within Horse Sport Ireland."*

7. As per, Sport Ireland's Terms of Conditions of Grant Investment, Horse Sport Ireland will be required to declare their compliance with the Governance Code for Sport by the end of 2021. Horse Sport Ireland declared their compliance with the Governance Code for Sport at a meeting of their Board on the 14th December. As part of Sport Ireland's approach to monitoring compliance with the Code we will require from organisations in 2022
 - A. **Board Assurance Statement:** a Board Assurance Statement signed by the Chairperson on behalf of the Board that attests to compliance with key provisions contained within the Code.
 - B. **Material Non-Compliance:** It is now a requirement to notify Sport Ireland in writing without delay in the event of any material non-compliance with the Governance Code for Sport.
 - C. **External Audit Statement:** Organisations now required to provide a signed auditor statement to Sport Ireland confirming that:
 - i. they (the auditor) have reviewed the content within the Compliance Record Form Template as part of their "Other Information" review, and
 - ii. notwithstanding that the Audit Opinion is on the Financial Statements, based on their review, the information contained within the Compliance Record Form is not materially inconsistent with the financial statements or their (the auditors) knowledge obtained during the audit

8. The Governance Code for Sport and Sport Ireland's Terms & Conditions of Grant Investment require organisations of the size and scale of Horse Sport Ireland to establish and operate Audit & Risk Committees to ensure appropriate internal oversight and governance arrangements are in place within organisations we fund. The Terms of Reference for the Horse Sport Ireland Audit & Risk Committee are available on their website [here](#).

Appendix 1: NGB Funding Rationale

The National Governing Bodies of Sport (“NGBs”) recognised by Sport Ireland are at the centre of Irish sport. Sport Ireland is committed to developing a strong and diverse NGB sector that delivers for the sporting community in Ireland. NGBs are key delivery agencies for Sport Ireland in the achievement of its strategic and operational goals.

The work of NGBs should feed into and complement the strategic priorities identified in both the National Sports Policy and the Sport Ireland strategy. Sport Ireland currently recognises 66 governing bodies of sport with the majority of them in receipt of financial investment and support services on an annual basis. A key focus of Sport Ireland is to assist NGBs to develop sustainable and effective structures to facilitate increased numbers of participants and volunteers in sport. Sport Ireland invests in NGBs in line with its strategic priorities. Investment is made with the specific aim of ensuring the long-term sustainability of NGBs.

Many NGBs receive funding primarily to support core operations. A key determinant of a NGBs annual funding is previous funding allocations. However, investment is dependent on the overall level of funds available for the purpose of assisting NGBs in any given year. Sport Ireland also encourages NGBs to broaden their income bases and have alternate streams of income.

Sport Ireland takes into account the national significance of each sport, quality of programmes & operations, levels of participation, membership, volunteerism and social capital when investing in NGBs.

Sport Ireland also wishes to see a diverse range of sports available to the Irish public and continues to invest in a wide variety of NGBs. Sport Ireland acknowledges that smaller NGBs will be limited in their capacity to deliver on wider government policy.

Sport Ireland expects that NGBs in receipt of significant levels of funding will deliver against Sport Ireland’s stated aims and wider government policy at a community level.

All NGBs are expected to demonstrate that they are fit for purpose and are in compliance with core legal, governance, ethical, operational, risk management and taxation/fiduciary policies.

Appendix 2: Recent Funding to Horse Sport Ireland

NGB	Year	Core Funding	Special Projects	High Performance	Additional HP	Dormant Accounts Fund	Covid-19	Total
Horse Sport Ireland	2021	€930,000	€22,000	€690,000	€245,000	-	€500,000	2,387,000
Horse Sport Ireland	2020	€930,000	-	€690,000	€175,000	€55,000	€1,240,000	3,090,000
Horse Sport Ireland	2019	€875,000 *	-	€690,000	€70,000	€40,000	-	1,675,000
Horse Sport Ireland	2018	€775,000 *	€14,000**	€530,000	€175,000	€20,000	-	1,514,000
Horse Sport Ireland	2017	€775,000 *	€110,000	€530,000	-	€25,000	-	1,440,000

*Including €20,000 for Pentathlon

**Horse Sport IE Dublin Horse Show NGB Grant 2018 €9,000.00 & Pentathlon IE Laster Run World Fund 2018 Grant € 5,000.00 = €14,000