



Joint Committee on Agriculture, Food and the Marine

Thursday, 13 July 2023, at 5:30 p.m. | Committee Room 4, Leinster House

Governance at Irish Horseracing Regulatory Board (IHRB)

Chairman, Members of the Committee, on behalf of the Irish Horseracing Regulatory Board, I want to thank the Chair and Members of the Joint Committee on Agriculture, Food and the Marine for the invitation to appear before the Committee today. My name is Darragh O'Loughlin, Chief Executive Officer of the IHRB since June 2022. I am joined by my colleagues Dr Lynn Hillyer, Chief Veterinary Officer, and Niall Cronin, Head of Communications and Strategy.

Background

The Irish Horseracing Regulatory Board CLG (IHRB) was established in 2018 by the Turf Club and Irish National Hunt Steeplechase Committee (INHSC) to carry out the regulatory and licensing functions assigned to the Racing Regulatory Body under the Horse Racing Ireland Act 2016. Under the Act, the IHRB is solely and independently responsible for the making and enforcing of the Rules of Racing, licensing participants, and regulating horseracing, including equine anti-doping control. The IHRB is a member of the International Federation of Horseracing Authorities and is signatory to the International Agreement on Racing and Breeding which provides the basis for international racing.

Horse Racing Ireland (HRI) is responsible for funding the IHRB to carry out its functions through an Integrity Services Budget which is agreed annually. The IHRB operates under a service level agreement with HRI for the provision of horseracing integrity services. This agreement has recently been reviewed and modernised in order to ensure adequate and robust governance of the horseracing integrity services budget.

Governance

The mission of the IHRB is to ensure that the reputation of Irish Horse Racing and confidence in the sport are protected by robust and transparent regulatory practices, implemented with integrity, by a professional and progressive team. Although not a statutory body, the IHRB abides by the underlying principles of good governance – accountability, transparency, probity and a focus on the sustainable success of the organisation over the longer term – and aligns to the requirements of a Non-Commercial State Body as set out in the *Code of Practice for the Governance of State Bodies*.

The IHRB is currently engaged in an ambitious programme of change and modernisation. It has made significant advances in its governance and continues to improve. In 2020, the Board commissioned a detailed review of the organisation's structures which recommended fundamental changes. The first phase required, among other things, the implementation of a voluntary redundancy and early retirement scheme which saw a number of people leave the organisation in 2021. This included the Chief Executive Officer, who took early retirement, allowing for the subsequent appointment of a new CEO in 2022.

The IHRB is governed by a board of eight directors, three each nominated by the Turf Club and the INHSC, who serve without remuneration, and, as of this year, two highly skilled independent directors who were appointed to enhance Board diversity and independence following an extensive recruitment process in 2022. The IHRB Board gender ratio is now 5:3 male to female. In addition, the IHRB has appointed an independent chairperson to its Audit and Risk Committee and that committee is overseeing an extensive ongoing programme of internal audit on behalf of the Board.

To safeguard the global reputation of horseracing in Ireland, in particular its integrity, it is the ambition of the Board and management to position the IHRB as a world class regulator for horseracing with an ongoing focus on excellence in the delivery of our core functions. As part of the development of a renewed strategy for the coming years, extensive internal and external consultations are underway with stakeholders across and outside the industry. Meanwhile, we continue to work with our partners in Horse Racing Ireland to identify

operational and administrative efficiencies and to act on opportunities for improvement, especially in areas such as IT, HR and Finance.

The Committee is aware that on Tuesday 27 June an issue emerged which had occurred in early 2022. The issue related to financial governance within the organisation and, when discovered, gave rise to grave concern. As such, it was therefore the subject of a disclosure to the Oireachtas Committee of Public Accounts (PAC) on Thursday 29 June.

Immediately the issue came to light, it was brought to the attention of the Chair of the IHRB's Audit and Risk Committee, the IHRB Chairman and the Board of the IHRB, who met on Wednesday 28 June to consider the matter. Additionally, the preliminary facts as they are known were immediately disclosed to relevant bodies, including the Office of the Comptroller and Auditor General and Horse Racing Ireland, and were brought to the attention of the Minister for Agriculture, Food and the Marine and senior officials within the Department, as was confirmed at the PAC. While the matter relates to financial governance, there does not appear to be any question of misappropriation or personal gain.

The Board of the IHRB has commissioned a full review to be conducted by an independent firm. On the recommendation of Horse Racing Ireland, the IHRB has engaged with Mazars who have agreed to carry out the independent review. Our solicitors have prepared draft Terms of Reference, which have been shared with HRI. The drafts have also been shared with Mazars for observations. Pending agreement from HRI on the Terms of Reference, the Board of the IHRB is determined that the review will commence as a matter of urgency and will be carried out as expeditiously as possible. Once concluded, the findings will be published and any recommendations will be acted upon.

Equine Anti-Doping

Equine anti-doping is a top priority for the organisation, as it is for the sport, and the IHRB has no tolerance for any rule breaches in this regard. The IHRB's Equine Anti-Doping strategy has evolved in recent years to operate on a sophisticated risk and intelligence basis backed by rigorous processes of investigation and follow-through in the event of an adverse analytical

finding. The appointment by the Minister for Agriculture, Food and the Marine of 12 Authorised Officers was another welcome development. This allows IHRB veterinary officials to gain access to any Thoroughbred in any location at any time. As important as it is to take enough samples, it is also crucial to take the right sample, from the right horse, in the right place, at the right time to maximise the likelihood of detecting prohibited substances if they are there, to deter those who might be tempted to cheat through doping, and to disrupt inappropriate activities.

The Joint Committee on Agriculture, Food and the Marine previously recommended that international expert be commissioned to carry out an independent review of the IHRB Equine Anti-Doping Programme. A review was carried out in 2022 by Dr Craig Suann, which concluded that the IHRB programme does “at least match international best practice in most respects and has made significant advances in recent years”. Dr Suann made a number of recommendations, 18 in total, that he said were “capable of enhancing the robustness of the programme’s processes, capabilities and capacities”. The review noted that “the implementation of some or all of these recommendations will require the provision of more funding and resources devoted to the EADP, mainly in the form of extra staff”.

The recommendations that can be implemented without significant budgetary implications have been or are being implemented. However, as Dr Suann identified, there are a small number of high priority recommendations which represent significant financial challenge and will require additional funding. An application for this funding was submitted in 2022 and plans are in place to implement these remaining recommendations when resources allow.

CCTV

The recent installation of CCTV systems across Ireland’s network of 25 racecourses, following a full public procurement process, represents another part of our integrity armoury. This was a significant undertaking, with over 500 cameras plus 25,500 meters of cable and 25 network video recorders now installed in racecourse stable yards and in sampling units at tracks all around the country. Now that CCTV is operational, it should act as a deterrent for prohibited or inappropriate activities and will assist in any investigation should an incident occur.

Conclusion

As a 32-county all-Ireland body, the IHRB carries out its functions through a team of 25 experienced administrative staff working from our offices in the Curragh and over 100 highly trained, professional racing officials at race meetings across the island who ensure that the rules are properly observed, and that the integrity of the sport is maintained. The IHRB also relies on a network of over 140 volunteer Raceday Stewards and committee members who lend their professional expertise to ensure Irish horseracing adheres to the rules and is properly governed at all levels.

The last couple of years have presented unprecedented challenges in the administration and regulation of horseracing. IHRB staff and volunteers have risen to these challenges. I would like to take this opportunity to thank them all for their resilience, commitment and professionalism. Their engagement and dedication enable us to be an adaptable, responsive and high performing organisation, serving the €2.5 billion Thoroughbred industry which supports over 30,000 jobs nationwide and, most importantly, the horseracing community and its participants.

Thank you for your attention. I and my colleagues are now happy to answer any questions the Committee may have.



Additional Memo,
IHRB 13.07.23

MEMO

TO: Joint Committee for Agriculture, Food & Marine

FROM: IHRB

DATE: 11 July 2023

SUBJECT: Briefing in advance of Meeting 13 July 2023

The IHRB looks forward to meeting with the Joint Committee for Agriculture, Food & Marine on Thursday 13 July 2023. The organisation will be represented by the Chief Executive Officer, Darragh O'Loughlin, the Chief Veterinary Officer, Dr Lynn Hillyer and the Head of Communications and Strategy, Niall Cronin.

The IHRB Annual Report 2021 (Appendix A.1) sets out relevant information on the operational integrity and regulatory activities of the IHRB during the year 2021. This document, our first formal Annual Report, reflects on a very important year in the ongoing development of the IHRB as Ireland's Racing Regulatory Body. Highlights include:

- Recovery from Covid-19, with racegoers returning to tracks nationwide.
- IHRB presided over 395 race meetings and 54 point to point events;
- 949 Stewards Enquiries and 93 regulatory hearings held;
- 5,952 equine anti-doping samples taken, resulting in 35 adverse findings;
- 12 IHRB officials appointed as Authorised Officers by the Minister;
- Licences issued to 654 riders, 366 trainers and 217 restricted trainers;
- 566 Point to point handler permits issued and 3,614 stable staff registered;
- IHRB teams carried out over 140 stable inspections during the year;
- Independent review of anti-doping programme commissioned.

The key issues that will be presented to the Committee include:

Transformation

Following a review of IHRB structures, a voluntary redundancy and early retirement scheme was implemented during 2021, which saw a number of people leave the organisation in 2021, including the Chief Executive Officer who took early retirement, allowing for the subsequent appointment of a new CEO in mid-2022.

To improve Board diversity and independence, the IHRB amended its constitution to provide for the appointment of independent directors. Following an extensive recruitment process in 2022, two independent directors were appointed and took office as of the



beginning of 2023. In addition, the IHRB has appointed an independent chairperson to its Audit and Risk Committee and that committee is overseeing an extensive ongoing programme of internal audit on behalf of the Board.

Additionally, in 2023 a revised Service Level Agreement was put in place between Horse Racing Ireland and the IHRB to ensure adequate and robust governance of the horseracing integrity services budget.

Equine Anti-Doping

The equine anti-doping programme (EADP) remains a top priority for the organisation and in 2021 an independent review of the IHRB EADP by renowned global expert Dr. Craig Suann was commissioned. The report of the Independent Review of the IHRB EADP was published in 2022 (Appendix A.2). Dr Suann's independent audit confirmed that the IHRB EADP matched international best practices and made a number of recommendations to enhance the EADP further.

Also in 2021, the first of a series of biannual IHRB Equine Anti-Doping reports was published, offering transparency on anti-doping activity including numbers of samples tested and the settings in which they were taken, along with details of adverse analytical findings in relation to prohibited substances. (Appendix A.3)

CCTV:

Following a public procurement process which commenced in late 2021, a CCTV system has now been installed across Ireland's network of 25 racecourses, with over 500 cameras plus 25,500 meters of cable and 25 network video recorders now installed in racecourse stable yards and in sampling units. A detailed update was provided to the Committee of Public Accounts on 28 March 2023 (Appendix B).

The IHRB looks forward to expanding on the above in our opening statement (Appendix C) and in subsequent discussions and, in the meantime, we remain available to provide additional information if required.

– Appendix A – Additional Reports

1. IHRB Annual Report 2021: available [here](#) on the IHRB website
2. Independent Review of IHRB Equine Anti-Doping Programme: available [here](#)
3. IHRB Equine Anti-Doping Reports: available [here](#)



**– Appendix B –
Letter to PAC re CCTV**

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

By email: PAC@oireachtas.ie

Your ref: 33/CPA/016

28 March 2023

Dear Ms Cremin,

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

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

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

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

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



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

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

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

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

Yours sincerely,

Darragh O'Loughlin
Chief Executive Officer



**– Appendix C –
Opening Statement**

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Thank you for your attention. I and my colleagues are now happy to answer any questions the Committee may have.