

Racing Integrity Board

2023 Annual Report



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| Foreword from the Board Chair

2022/23 was another milestone year for the Racing Integrity Board (RIB), the independent regulator for integrity in the racing industry in New Zealand.

The Greyhound Review was a key feature, with many of our team involved in audits, analysis, review, and reporting. The final report – the result of a 15-month work programme – was delivered to the Minister for Racing on 12 December 2022. This was followed by a supplementary report in March 2023, requested by the Minister. Both reports are publicly available. The RIB is continuing to work with the greyhound industry to monitor progress.

During the year we finalised the RIB’s Strategic Framework, which comprises a summary of our business and three-year work programme.

This document is central to delivering on our legislated objectives which are to promote, and ensure compliance with, high standards of animal welfare, integrity, and professionalism by participants in the racing industry for the benefit of the public, participants, and the racing industry as a whole. The Strategic Framework and the first year of the RIB’s three-year work programme can be found in our 2022/23 Business Plan.

An important requirement for the RIB under the Racing Industry Act 2020 is to maintain separation of the compliance and adjudication functions. This is something we have a strong focus on and regularly assess to ensure we meet the expectation of the industry and the Minister.

Our Chief Executive Mike Clement has continued to provide strong leadership to the RIB, and I would like to thank him for his ongoing commitment to our organisation.

The RIB is central to the racing integrity system, and I acknowledge the RIB team for their consistent, professional approach. However, building and maintaining a strong integrity system relies on all stakeholders recognising the role they have in acknowledging the importance of integrity for racing and working with the RIB to promote high standards. We understand the priorities and challenges facing stakeholders in the industry and we are committed to working together to bring integrity into every corner of racing in New Zealand.

Finally, my thanks to colleagues on the RIB Board for their commitment to governance of the RIB.

Kirsty McDonald ONZM KC
Chair
Racing Integrity Board



Brent Williams Dr Patricia Pearce Kirsty McDonald ONZM KC (Chair) Neville Harris QSO Penny Mudford ONZM



| From the Chief Executive

I am pleased to share our 2022/23 annual report and reflect on the good progress made towards embedding integrity into every part of the New Zealand racing industry.

A highlight of the year was completing our strategic framework, in collaboration with team members and the Board. Based on the objectives and core functions established by the Racing Industry Act 2020, the framework comprises a summary of our business and forms the basis of our three-year work programme. It details our strategic priorities: compliance, animal welfare, adjudication, advisory and advocacy, alongside four enablers – people and capability, processes and systems, assurance, and engagement.

We completed several cornerstone projects during the year including conducting the first audits of harness stables, developing a competency framework for stewarding, and introducing comprehensive standard operating procedures for exhibit handling and swabbing processes.

We are committed to continuously improving the way we work and supporting our people to be the best they can be, through meaningful professional development opportunities. The competency framework will provide a clear appreciation of the various roles into which new RIB people are recruited, while at the same time ensuring those already in roles have the opportunity to maintain and improve their skills.

The Greyhound Review – which consumed much time, energy, and focus throughout 2021 and 2022 – culminated in the delivery of a final report to the Minister on 12 December 2022, as scheduled. We continue to work with the greyhound industry to maintain momentum and monitor progress.

Our Animal Welfare team was established during the 2022/23 racing year, with the final appointment of a Head of Veterinary Services who will lead the RIB's veterinary function, including race day and non-race day veterinary capability.

This year the team completed audits of 93 harness stables, commenced greyhound audits against the new set of welfare standards and established the basis to commence 110 audits of thoroughbred stables, which will start in 2023/24. This significant work programme will continue into the 2023/24 year, along with the development of an animal welfare strategy, and continuing to work with all three codes to improve welfare standards.

Sadly, the year was also marred by tragedy, with two thoroughbred riders losing their lives while racing. Our heartfelt sympathies go to the family and friends of these riders. Following both incidents, the RIB played a key role on behalf of the industry, facilitating debriefs and identifying opportunities to improve rider safety. Two deaths are two too many and the industry is united in its commitment to the safety of riders and all those who work in racing.

While we are an independent body, we work closely with stakeholders across the racing industry. The vast majority of participants love the sport and are deeply committed to doing the right thing by their people and their animals. Our role is to recognise this good practice, encourage those who need support to change their behaviour or processes, and ensure compliance with the rules of racing. The consequences for those who fall short of the standards can be significant.

We are committed to regular stakeholder engagement and I would like to thank our stakeholders for working with our team over the year to progress our shared objectives.

My thanks also to our Board for their support and advice over the year, and to the RIB team for their relentless pursuit of welfare and integrity on behalf of our industry.

I look forward to another productive year as we work across the racing industry to reach high standards of integrity and welfare in everything we do.



Mike Clement
Chief Executive
Racing Integrity Board



| About the Racing Integrity Board

The RIB was established as an independent body on 1 July 2021 under section 42 of the Racing Industry Act 2020, bringing together the people, resources and activities of the former Racing Integrity Unit and the Judicial Control Authority for Racing.

Section 43 of the Racing Industry Act sets out the objectives of the RIB which are to:

Promote and ensure the racing industry complies with high standards of animal welfare, integrity and professionalism for the benefit of the public, participants and racing industry.

Section 44 of the Racing Industry Act sets out the functions of the RIB which are:

Compliance

- To employ and train stipendiary stewards and racing investigators to perform and exercise the functions, duties, and powers in each code's racing rules
- To provide, or arrange for the provision of veterinary services in relation to racing conducted by each racing code as required by the code's racing rules
- To provide, or arrange for the provision of alcohol, drug, and prohibited substances testing in relation to racing conducted by each racing code as required by the code's racing rules.

Animal Welfare

- To support and monitor the operation and effectiveness of each racing code's animal welfare policies and initiatives.

Adjudication

- To appoint adjudicative committees to hear and adjudicate on any matters (whether arising on a particular day of racing or otherwise) in accordance with racing rules and to impose penalties and award costs in accordance with those rules
- To appoint appeals tribunals to hear and adjudicate on appeals (including penalties imposed or costs awarded).

Advisory and Advocacy

- To recommend to the racing codes any amendments to racing rules that the Board considers necessary or desirable for the purpose of supporting the racing integrity system
- To recommend to TAB NZ any amendments to betting rules that the Board considers necessary or desirable for the purpose of supporting the racing integrity system
- To initiate, develop, and recommend to the recognised industry organisations those measures that will, in the Board's opinion, be conducive to the efficient and effective judicial control of New Zealand racing
- To monitor the operation and effectiveness of the racing integrity system on an ongoing basis and to report to the Minister as required on the outcome of that monitoring
- To provide any other services to a racing code agreed between the Board and the code or required by the code's racing rules
- To carry out any other functions necessary or desirable to assist the Board in achieving its objectives.

| Strategic Framework

In our second year of operation, team members and the Board worked together to develop a strategic framework. This is based on the objectives and core functions established by the Racing Industry Act 2020.

At the heart of our strategic framework (shown on page 10) is our vision which is for integrity to be seen as a critical enabler to the success of the racing industry. In this context, integrity refers to compliance with the rules of racing, as well as all stakeholders behaving in a way that meets the broader expectations of the community.

The framework also outlines:

- Eight strategic priorities – four relating to our functions as set out in the Act, and four relating to the way we work
- Our operating model, which informs the approach we take, recognises good practice, encourages behaviour change, and ensures compliance. Our work is increasingly grounded in analysis and lessons learned as the basis for influencing changes to rules, policies and standards
- Our partners who work alongside us to build trust and confidence in the racing industry
- Our values, developed by our people to set the tone for their interactions with stakeholders.

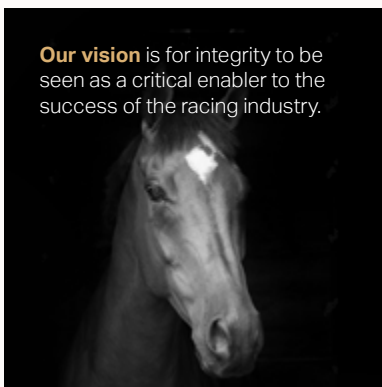
This framework is supported by a plan of current and medium-term activities, as outlined in the RIB's Statement of Intent 2023/24 to 2025/26.

Racing Integrity Board

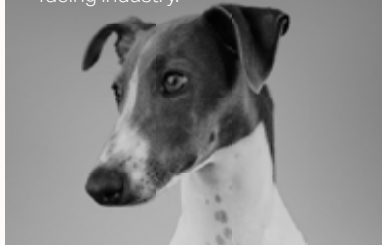
The independent regulator for thoroughbred, harness and greyhound racing in New Zealand.

Why we're here

Our vision is for integrity to be seen as a critical enabler to the success of the racing industry.



Our objective is to promote and ensure the racing industry complies with high standards of animal welfare, integrity and professionalism, for the benefit of the public, participants and the racing industry.



What we do

OUR FUNCTIONS

Compliance

- Ensure racing complies with the rules
- Employ and train stewards and investigators
- Test for prohibited substances
- Conduct investigations and charge as appropriate

Animal Welfare

- Support and monitor the effectiveness of animal welfare rules, policies and standards
- Provide race day and non-race day veterinary services
- Conduct audits and inspections

Adjudication

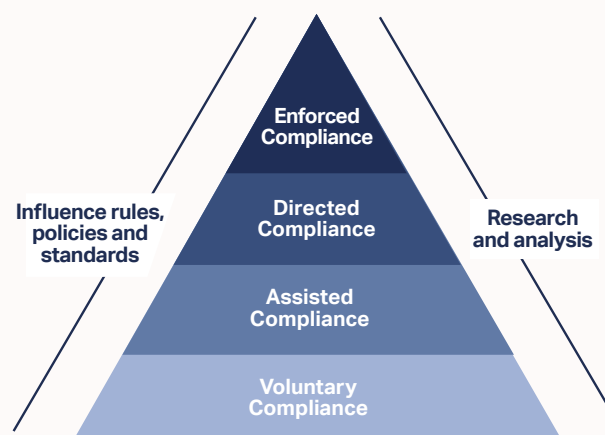
- Hear and adjudicate on breaches of the racing rules
- Conduct appeal hearings

Advisory and Advocacy

- Use evidence-based research to identify improvements
- Recommend and review changes to rules, policies and standards
- Ensure the judicial function is effective and efficient
- Undertake ministerial reporting

How we do it

OUR OPERATING MODEL



We use this model to recognise good practice, encourage behaviour change, and ensure compliance.

OUR PARTNERS

Working with and beside us to build trust and confidence in the racing industry are:

- Racing codes
- Racing clubs
- Racing service organisations
- TAB NZ
- Government and non-government agencies
- International counterparts

Our people are

- Safe
- Competent
- Committed
- Respected
- Leaders

Our processes are

- Simple
- Consistent
- Accurate
- Modern

Our assurance practices are

- Targeted
- Transparent
- Guided by lessons learned

Our engagements are

- Informed
- Collaborative
- Meaningful
- Decisive

Our Values



Fair



Consistent



Professional



Transparent



Teamwork

Strategic Priorities

The RIB's strategic priorities flow from the strategic framework on page 10 .

To deliver on our legislative mandate, the strategic priorities have been grouped into two areas of focus: what we do, and how we do it.

What we do	Target
Compliance	Continuously improving our disciplines, working alongside the codes and participants to build high levels of compliance.
Animal Welfare	Promoting and ensuring compliance with high standards of animal welfare.
Adjudication	Deciding on matters in accordance with each code's Rules of Racing.
Advisory and Advocacy	Working with the codes, informing and educating participants in relation to rules, standards and policies.
How we do it	Target
People and Capability	Strengthening our organisational capability and design; and prioritising the health, safety, and wellbeing of our people.
Processes and Systems	Strengthening our organisational capability and design; and prioritising the health, safety, and wellbeing of our people.
Assurance	Developing and improving our quality assurance practices.
Engagement	Maintaining meaningful relationships with key stakeholders in the racing integrity system.

Compliance Operating Model

The RIB's Compliance Operating Model is the cornerstone of our approach to our compliance role.

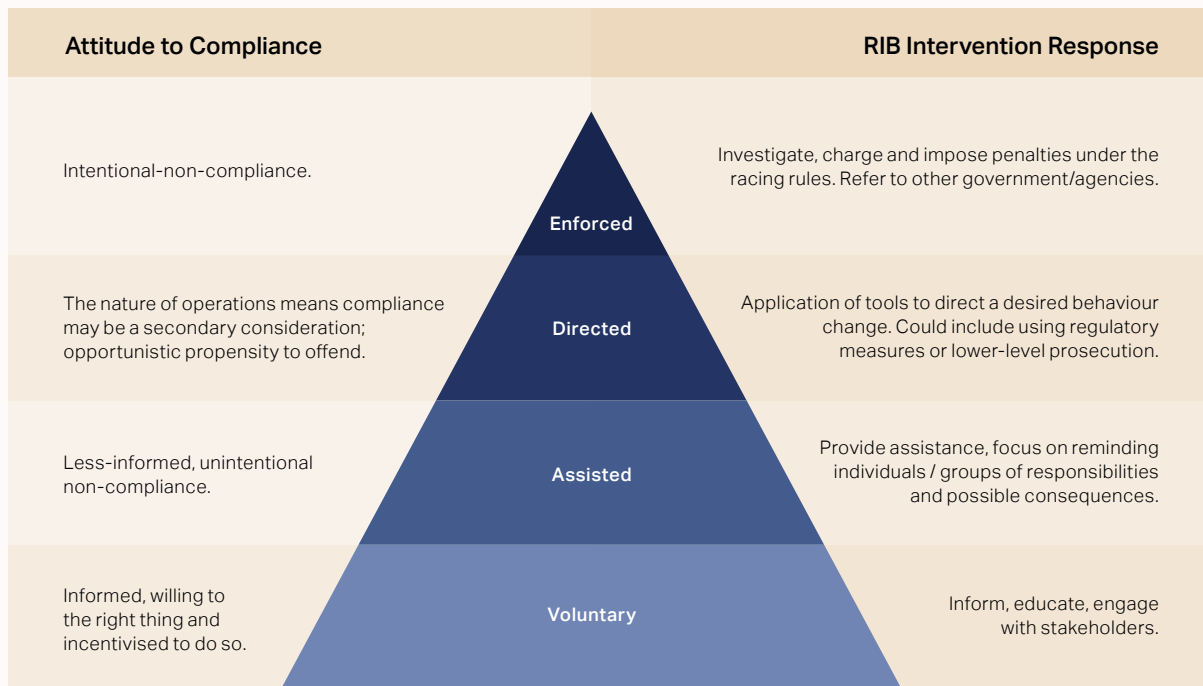


Figure 1: Compliance Operating Model

We work with the industry to support participants to understand and comply with rules and policies. In our experience most participants want to do the right thing and are therefore receptive to this approach.

We take a different approach with the few stakeholders who fall well short of an acceptable standard, resist, or ignore compliance requests. In those cases, compliance with the rules is directed and if necessary, enforced which may involve charges and penalties.

There are circumstances, particularly where the safety of people and/or animals is at risk, when enforcement is the immediate course of action.

The RIB's kennel and stable audit programme shows the Compliance Operating Model in action. Where we find a kennel or stable does not meet a code's animal welfare standards, we will talk to the licence holder about what is needed to comply, and issue an improvement notice. The majority of licence holders take the necessary action to comply with the standards. Failure to do so may result in charges and penalties.

The introduction and continuing enhancement of animal welfare standards is a positive step forward for the industry and while it is relatively new, almost everyone has welcomed the change as critical to the sustainability of the racing industry. The standards as they currently exist shouldn't be seen as the destination, rather the start of a process of continuous improvement.

Our Values

Our values, developed by our people, set the tone for how we work and our interactions with stakeholders.



Fair

We treat all stakeholders equally, in a way that is right and reasonable.



Consistent

We work together to agree best practices, so we operate in a consistent way.



Professional

We use our specialist knowledge for the benefit of the racing integrity system and we are conscientious and polite in all interactions.



Transparent

We clearly communicate our intentions and expectations to stakeholders and participants and explain our actions.



Teamwork

We collaborate with colleagues inside and outside the RIB, to achieve high standards of integrity.

Our Stakeholders

Integrity in the racing industry is reliant on all stakeholders doing the right thing every day, safe in the knowledge that others are committed to doing the right thing too.

The Racing Integrity Board plays a pivotal role in this system, which can only succeed when everyone plays their part.

Figure 2: Racing Integrity System



This is not an exhaustive list but is representative of the stakeholders in the racing integrity system.



| Operations Overview

The RIB's Core Day-to-Day Functions

- Provide stewarding services at race and trial meetings
- Ensure participants comply with the racing rules
- Work with the codes to ensure animal welfare standards and initiatives are effective
- Provide race day veterinary services
- Test for prohibited substances in animals and humans
- Audit and inspect kennels and stables
- Conduct investigations into potential compliance failures
- Hear and adjudicate on matters in accordance with the racing rules
- Hear and adjudicate on appeals
- Review and recommend amendments to the racing rules, policies and standards
- Recommend amendments to the TAB NZ betting rules.



43
Permanent Staff



114
Contractors
& Casual Staff



59
Race Tracks

Key Highlights



955
Race Meetings



9,720
Races



84,845
Starters



168
Kennel and
Stable Audits
and Inspections



13,958
Animal
Drug Tests



45,000
Veterinary
Examinations



264
Investigations



1,055
Charges Laid



971
Adjudicative and
Appeals Tribunal
Hearings



Greyhounds

137
Active Trainers

1,648
Animals for Racing



Harness

602
Active Trainers

2,898
Animals for Racing



Thoroughbred

751
Active Trainers

4,344
Animals for Racing

| What We Do

Compliance

Overview

The RIB monitors participants' compliance with rules and policies through race day and non-race day activities, by:

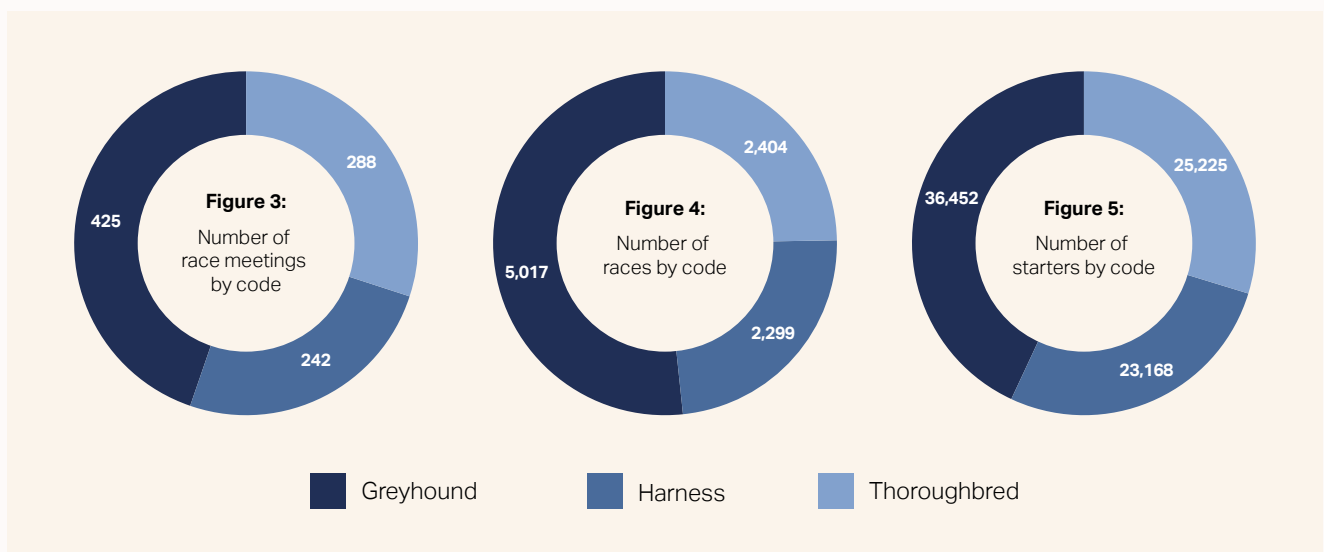
- Ensuring racing complies with the rules
- Conducting race day veterinary checks
- Attending trials
- Undertaking licensing activities
- Undertaking prohibited substance testing in and out of competition
- Conducting investigations
- Laying charges.

We work with the codes and industry organisations to establish and improve rules, policies and standards. As appropriate in the racing context, penalty guides and minor infringement schedules ensure consistency, fairness and transparency.

Participants who comply with the rules not only protect themselves from penalty, but also assist in protecting the reputation and future of the racing industry.

Raceday Integrity Services

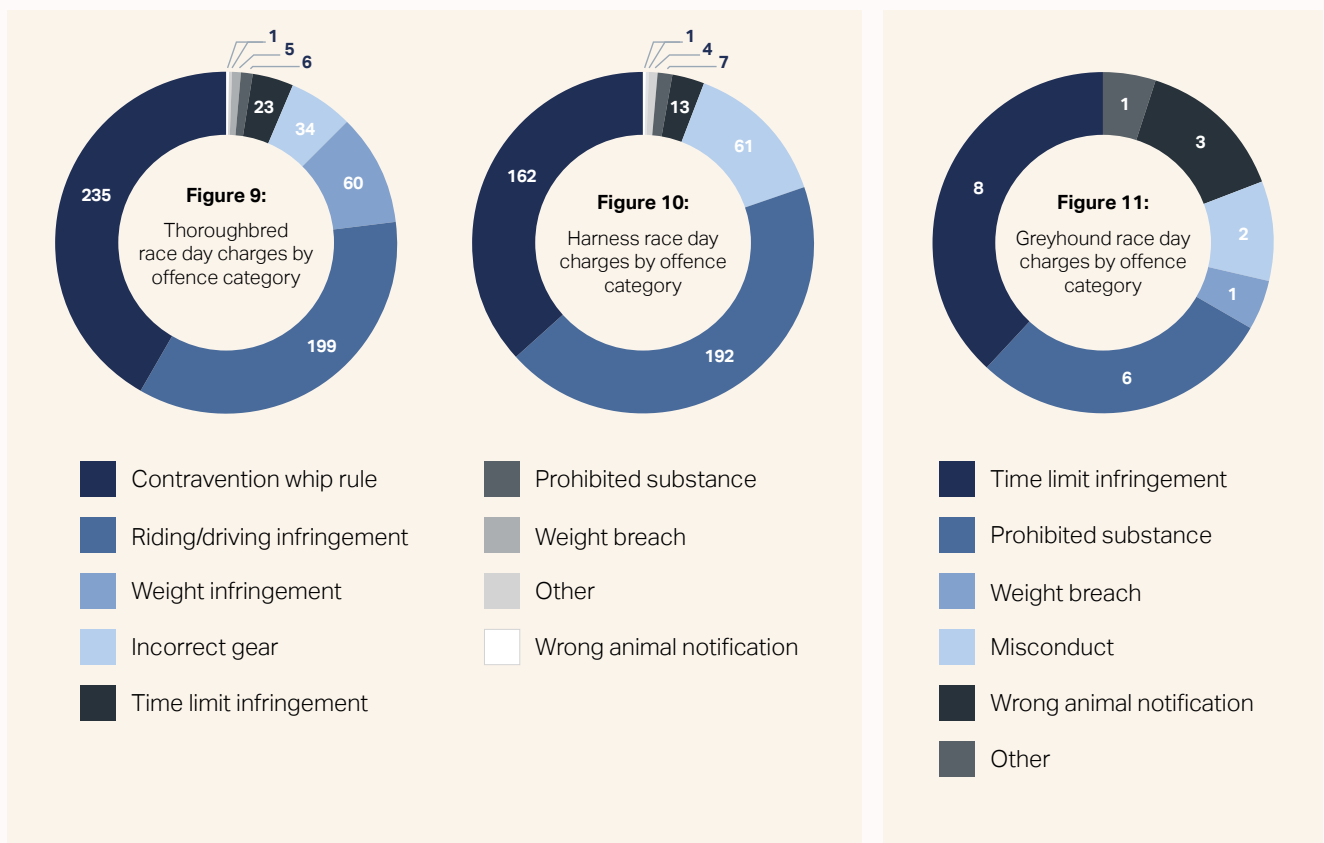
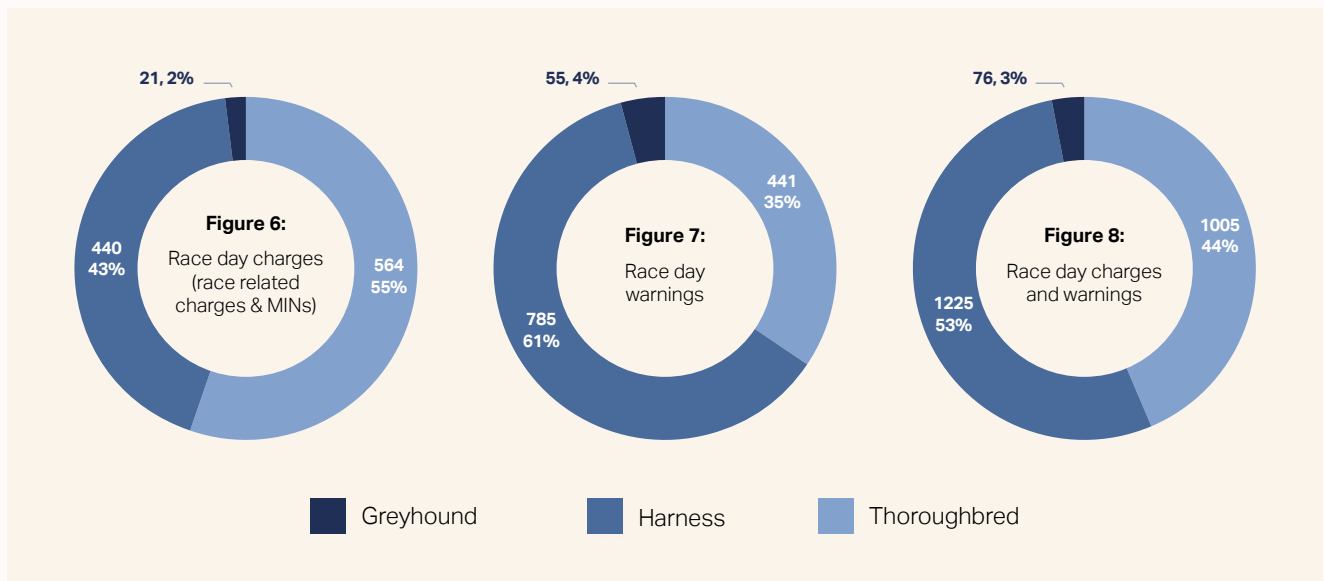
Over the 2022/23 season, the RIB supported 955 race meetings, overseeing 9,720 races with 84,845 starters.



Race Day Warnings and Charges

Stewards issued 1,281 warnings on race day, with 55 in greyhound racing, 785 in harness and 441 in thoroughbreds.

Stewards issued 1,025 race day charges, including minor infringement notices (MINs) across three racing codes: 564 for thoroughbred, 440 for harness and 21 for greyhounds.

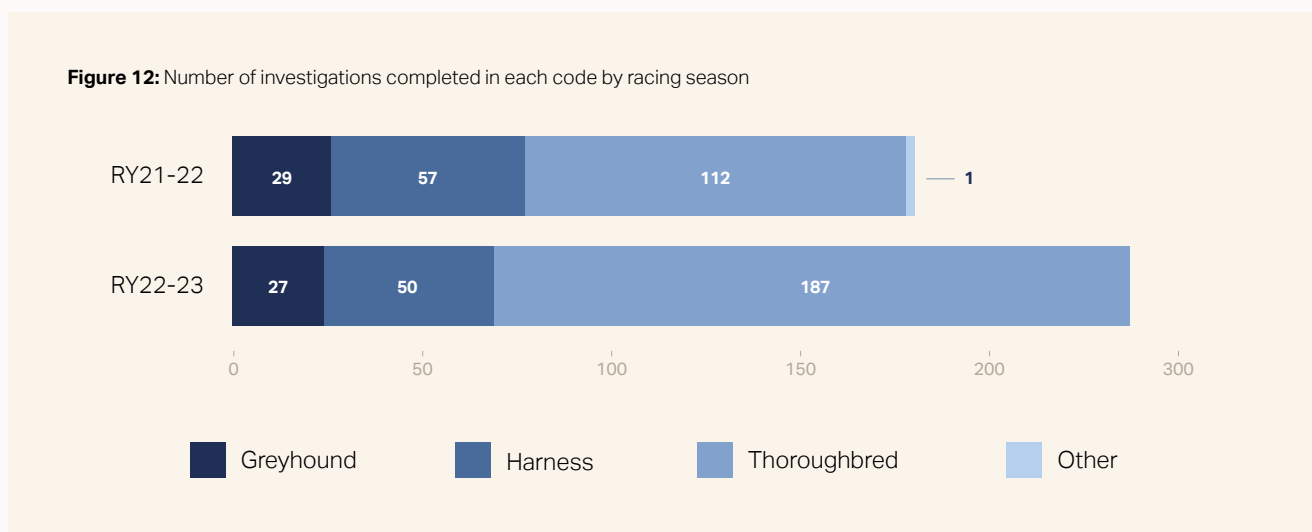


Investigations

The RIB's investigations team is responsible for:

- Investigating serious breaches of the codes' racing rules
- Managing prohibited substances testing for animals and participants.

The investigations team is made up of seven trained investigators across the country who completed 264 investigations in 2022/23.

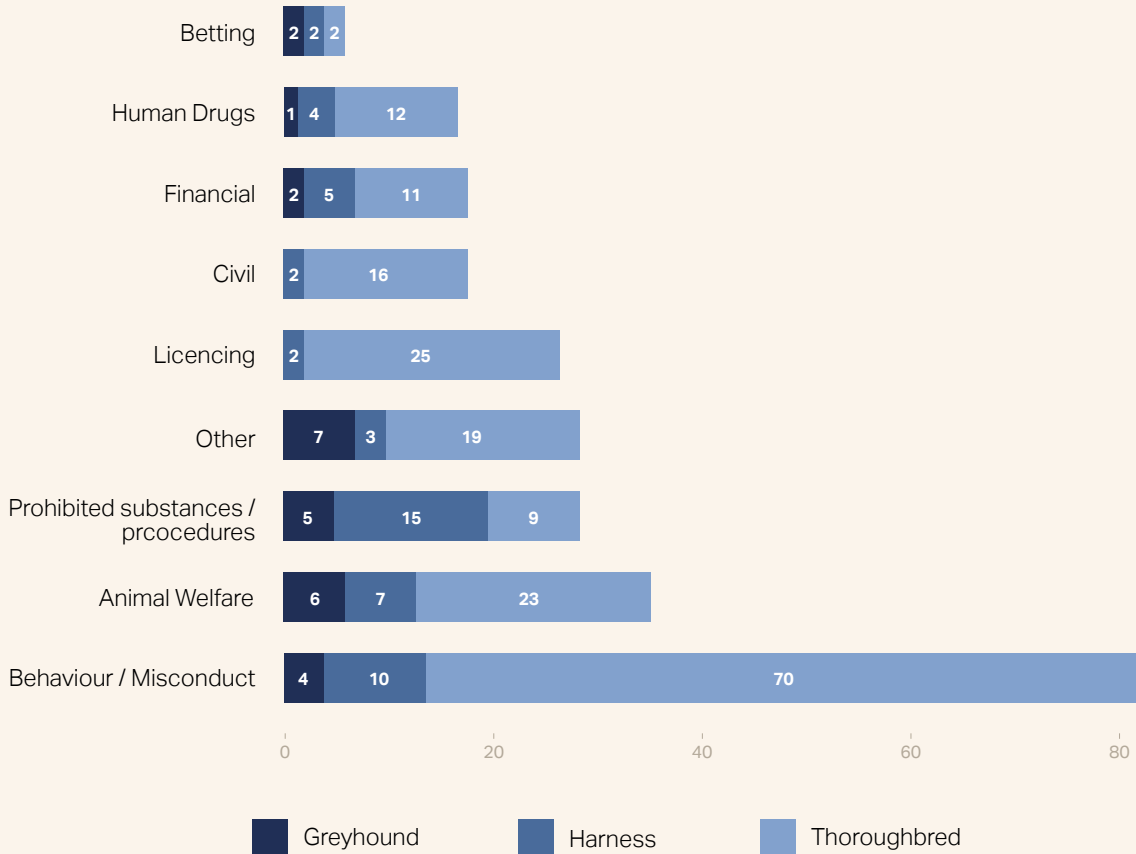


These investigations are initiated as a result of information from a variety of sources including:

- Prohibited substances testing programme
- Complaints made by industry participants
- Referrals from or collaboration with other agencies
- Kennel and stable inspections or audits, and
- Concerns from people inside and outside the industry, including information provided in confidence.

Investigations into behaviour or misconduct are the most common but animal welfare investigations are generally more complex and take more time. The RIB works with the Ministry of Primary Industries and SPCA to determine which agency should lead investigations and / or conduct dual investigations.

Figure 13: Number of investigations by type by racing code



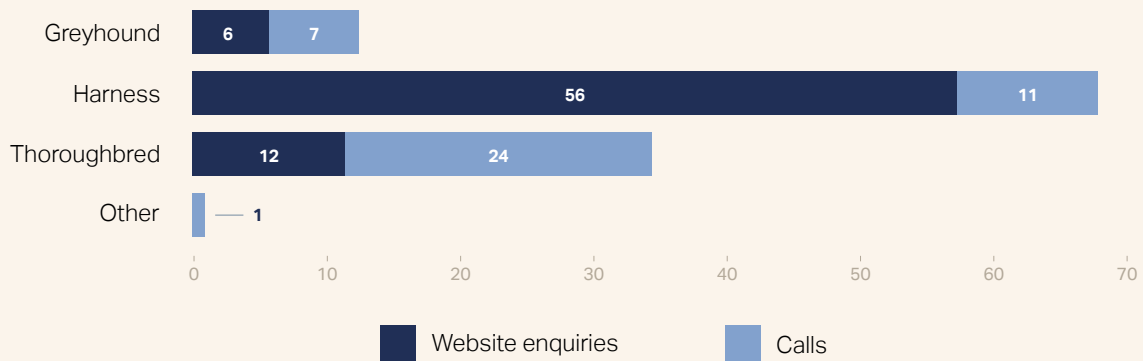
Racing Integrity Line

The Racing Integrity Line, provided through an independent third-party, is an important integrity assurance tool, allowing members of the public and/or the racing industry to anonymously report integrity related information.

In the last year, 117 confidential inquiries were made through the integrity line. As shown in Figure 14, 57% (67) were about harness racing, 31% (36) thoroughbred racing, and 11% (13) about greyhound racing. There was one inquiry that was not categorised by code.

While the integrity line is an important channel, concerns reach the RIB through a range of other channels (as noted above) from people who are committed to ensuring high standards of integrity and good behaviour in the racing industry.

Figure 14: Integrity line inquiries by code 2022/23



Prohibited Substances Testing Programme

Under the Racing Industry Act, the RIB is required to provide or arrange for the provision of alcohol, drug, and prohibited substances testing for participants and animals. This means the RIB undertakes:

- Animal swabbing services on race days
- Out of competition testing of animals
- Participant drug and alcohol testing.

The RIB also manages the relationship with the drug testing laboratory, New Zealand Racing Laboratory Services (NZRLS), which undertakes animal urine, blood and hair testing. Other laboratories are engaged as appropriate.

The prohibited substances testing programme is a critical integrity function. It ensures fairness in racing, protects the welfare of animals, and acts as a deterrent.

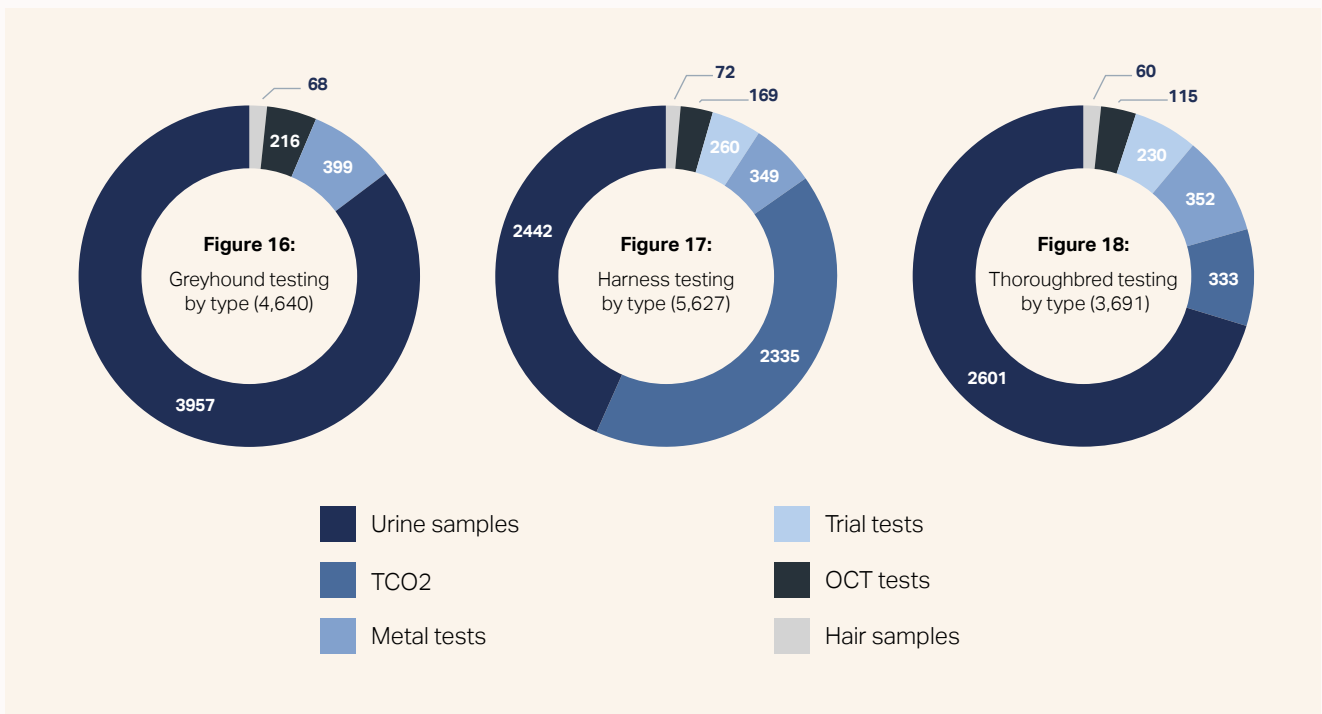
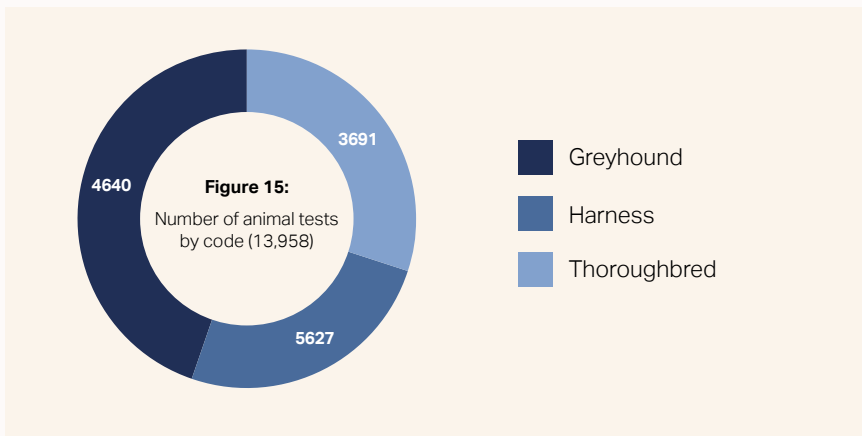
When a positive result is detected, an investigation is initiated.

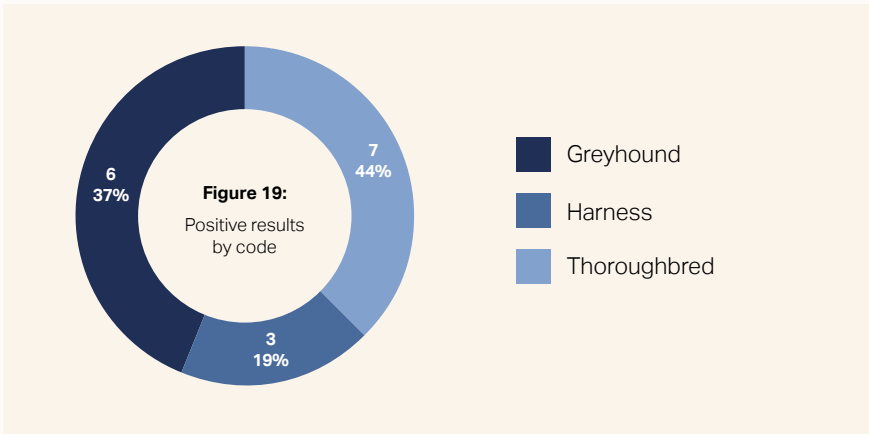
Over the past two years, the prohibited substance testing practice in the field has undergone a review, with improvements identified including swabbing facility upgrades, procedural changes for the management of forensic samples, and overall exhibit management integrity. Implementation of these changes started late in the 2021/22 racing season and continued in 2022/23.

Animal Testing

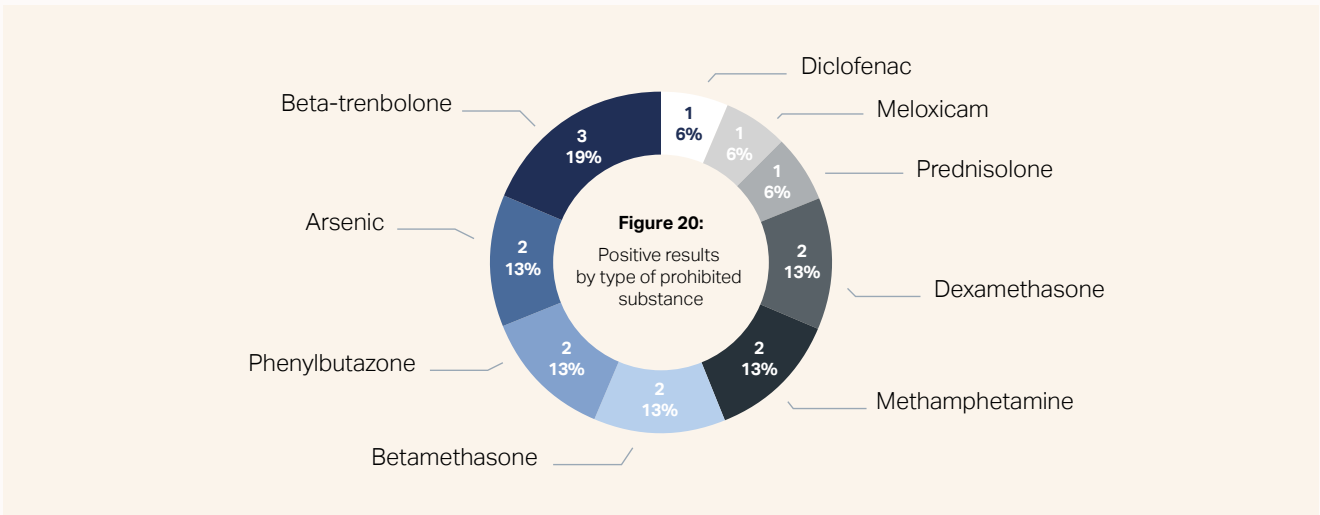
A total of 13,958 animal tests were conducted during the year, an increase of 765 tests from the previous year.

The majority of tests are conducted on a race day. Out of competition testing (OCT) can be undertaken in a range of circumstances and locations including trials, kennels, stables, and public training facilities.



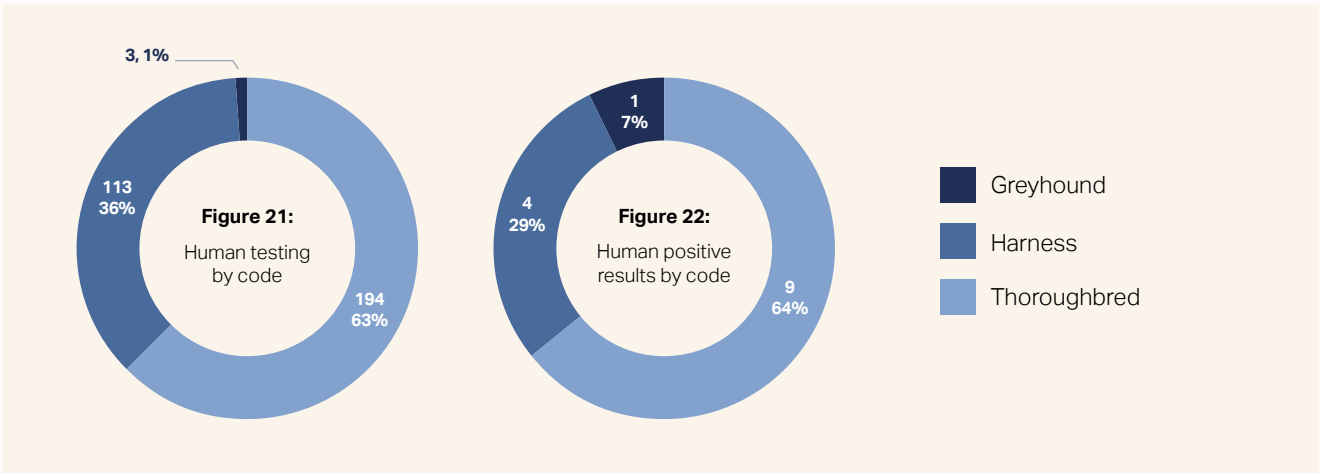


There were 16 positive tests in 2022/23, compared to 11 in 2021/22. This represents a low proportion of all tests conducted.

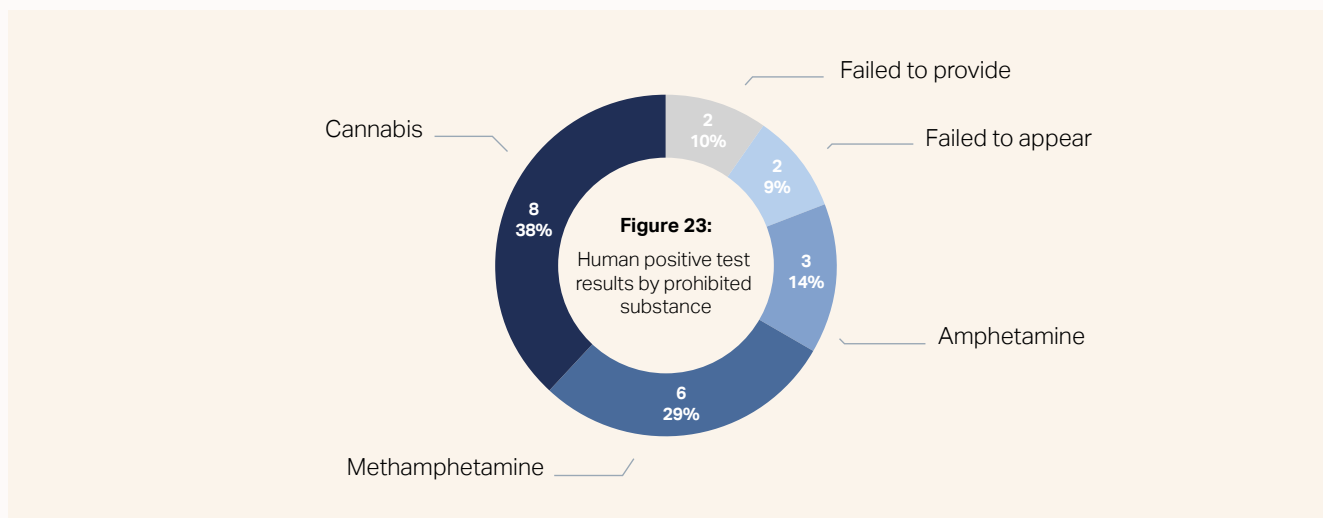


Human Testing

There were 310 human prohibited substance tests conducted over the season, made up of 146 tests for alcohol and 164 tests for drugs, with 14 positive results. In 2021/22 there were 15 positive test results.



Each code has different rules governing alcohol and drug testing of participants. Equine has a higher volume of participant testing than greyhound because of the emphasis on the safety of riders and drivers. The 14 positive tests identified 21 substances.



Race Day Safety

The RIB is supportive of Racing New Zealand's efforts to focus on participant welfare and looks forward to working with the industry on this over the next racing year.

The safety of people and animals is critical. Tragically, two thoroughbred riders lost their lives while racing last year.

Following both incidents, the RIB played an ongoing role on behalf of the industry by facilitating incident debriefs and identifying opportunities to improve rider safety. The RIB, together with stakeholders, will work to implement changes set out in the recommendations.

The RIB and racing clubs have engaged with WorkSafe in respect of both fatalities.

Representatives from the RIB, TAB NZ, and the three racing codes form an industry health, safety and wellbeing committee.

| What We Do

Animal Welfare

Overview

Animal welfare refers to the way the physical and social environment affects an individual animal's health, comfort, and wellbeing. All racing industry participants have a responsibility to ensure the best welfare outcomes for their animals. This is critical to the future of the racing industry and key to ensuring trust and confidence in the integrity of racing.

The RIB supports and monitors the operation and effectiveness of each racing code's animal welfare policies and initiatives by:

- Advocating for improvements to welfare rules, standards and policies
- Auditing kennels and stables for compliance with welfare standards
- Providing veterinary support on race days and other occasions as appropriate
- Supporting animal welfare investigations.

Animal Welfare Team

The RIB's animal welfare team was established in 2021/22 with roles initially filled through temporary appointments and secondments.

In 2022/23 we made permanent appointments to the roles of Director Animal Welfare, Head of Veterinary Services, Head of Animal Welfare Operations and Coordinator Animal Welfare.

Welfare Standards

Welfare standards document the standards expected of participants who have responsibility for the care of animals. The standards may set a higher expectation of care than required by legislation or codes of welfare published by the Ministry of Primary Industries.

During the 2022/23 season, the racing codes reviewed and/or enhanced their animal welfare standards, supported by the RIB.

- New Greyhound Racing New Zealand (GRNZ) Welfare Standards came into force on 1 May 2023, replacing the 2018 standards. The new standards are comprehensive and represent a step change for the industry
- Harness Racing New Zealand (HRNZ) implemented its first Horse Care Regulations in October 2022
- New Zealand Thoroughbred Racing (NZTR) updated its animal welfare strategy in 2022, and in July 2023 introduced its first Thoroughbred Welfare Detailed Assessment Standards.

Both equine codes introduced new racing rules to support their welfare standards.

The RIB will monitor the outcomes of the new standards and continue to advocate for enhancements to further improve animal welfare.

Kennel and Stable Audits

One of the ways the RIB measures compliance with welfare standards is by auditing kennels and stables.

An audit team includes an auditing specialist, stewards and/or investigators and a veterinarian.

Audits are conducted against the welfare standards of each code and includes basic health checks and examination of facilities.

The RIB works with licenced persons to help them achieve compliance. Where there are significant issues of non-compliance impacting animal welfare, charges may be appropriate.

Audits are an opportunity for the RIB to inform and educate participants.

In keeping with our compliance operating model (see page 12), we expect to see voluntary compliance increase as participants become more familiar with and embrace higher standards of animal welfare. Analysis of areas of non-compliance will help determine where we may need to further support participants to do the right thing.

Greyhound Kennel Audits

Significant improvements to the welfare standards were implemented in May 2023. As a result, kennel audits were adjusted for the first half of 2023 to focus only on parts of the standards that would not significantly change.

In 2022/23 there were 74 kennel audits of licenced persons, incorporating 60 partial and 14 full audits. Four kennels providing rehoming services to GRNZ were also audited.

All kennels partially audited in the first half of 2023 will be re-visited and audited against the newly introduced standards.

When compared to 2022, the audits conducted in 2023 showed improvements in basic veterinary health checks, such as dental health and greyhounds requiring further veterinarian treatment.

Harness Stable Audits

The new audit programme for harness stables was initiated in 2023, following HRNZ implementing its Horse Care Regulations in October 2022. There were 93 audits conducted between 1 January and 31 July 2023.

The auditing of harness stables identified key areas of non-compliance including:

- Traceability checking showed horses present at the time of an audit did not align with HRNZ's records
- Safety concerns with facilities
- Contingency plans not documented.

Generally participants have been supportive of the audit programme, and we will continue to work alongside them to achieve higher levels of compliance.

A full analysis of the harness racing audit programme will be conducted when all audits are complete.

Thoroughbred Stable Audits

The new welfare standards for thoroughbreds were implemented in July 2023, with stable audits starting early in the 2023/24 season.

Animal Welfare Forums

The RIB participated in a number of industry forums focused on animal welfare including:

- Tri-code animal welfare meetings, scheduled every six weeks. This forum is an opportunity for animal welfare leads from each code and the RIB to discuss emerging issues and trends and identify opportunities to work together
- GRNZ Serious Injury Review and the Animal Health and Welfare Committees
- NZTR Mortality Review Panel and Thoroughbred Welfare Forum
- Regional code meetings to update participants on industry initiatives.

Greyhound Review

In December 2022 the RIB submitted its Greyhound Review Final Report to the Minister for Racing. The report outlined the RIB's view of GRNZ's progress to address recommendations in the Hansen (2017) and Robertson (2021) reviews. The report made 75 recommendations that are being monitored through the ongoing work programme.

In 2023, the Minister set the expectation for the RIB to continue monitoring GRNZ's progress at a level consistent with that undertaken in 2022.

The RIB has continued to meet regularly with GRNZ to monitor progress against their work programme, GRNZ's performance against its KPIs, and other emerging issues. The Greyhound Review remains a significant commitment for the RIB.

| What We Do

Adjudication

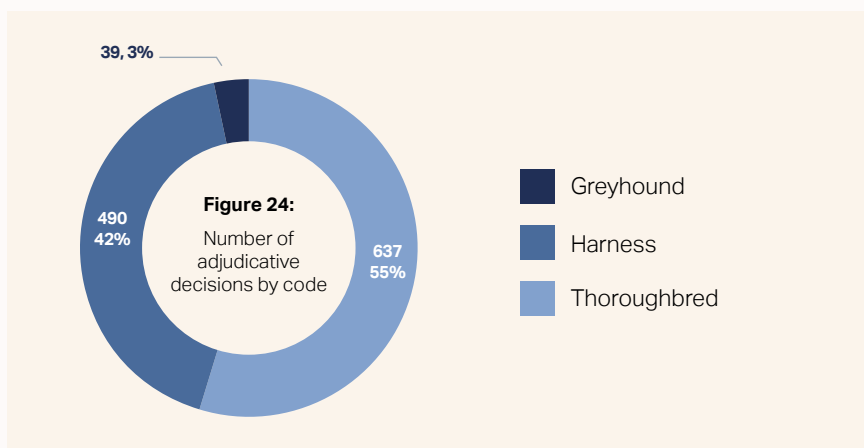
As required by the Act, the RIB Board has appointed 26 people as adjudicators and appeal tribunal members.

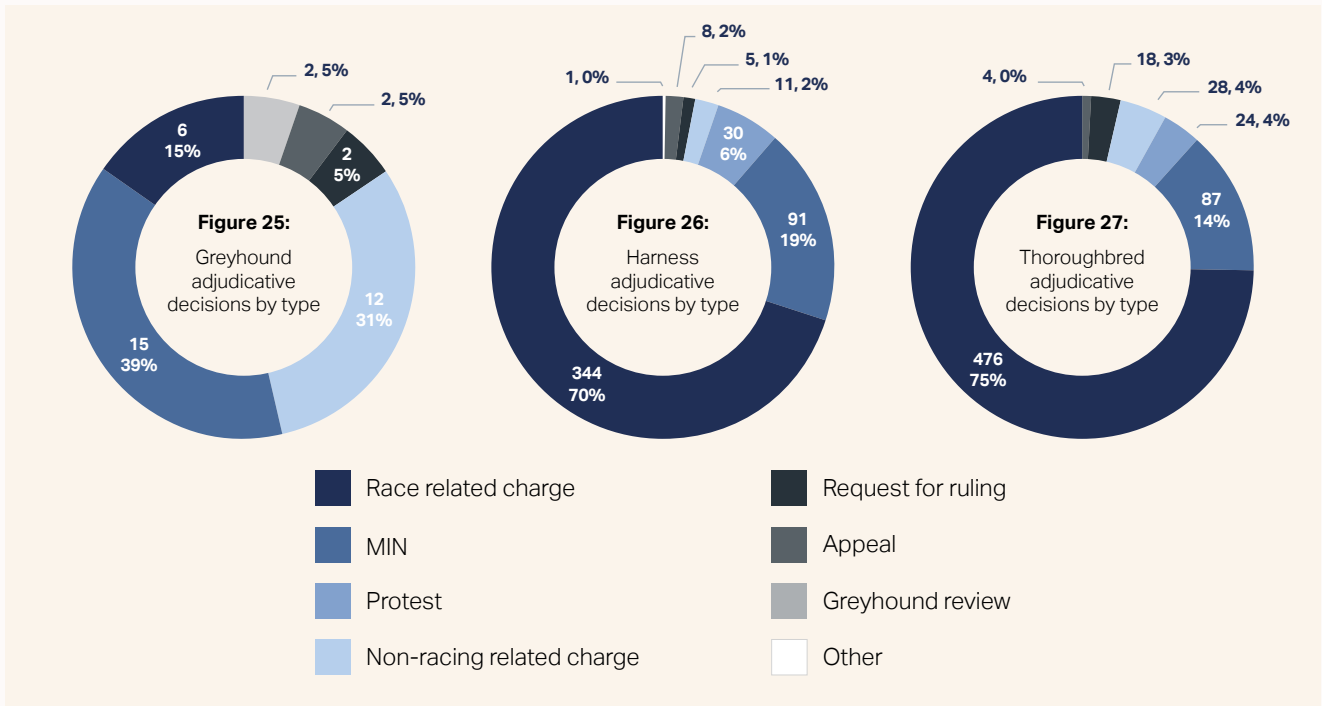
Adjudicative Committees

Adjudicative committee members are appointed to conduct race day and non-race day hearings into alleged breaches of the racing rules. Where charges are proven, penalties are imposed and costs awarded as appropriate.

A total of 1,166 decisions were made across all decisions types in the 2022/23 racing season.

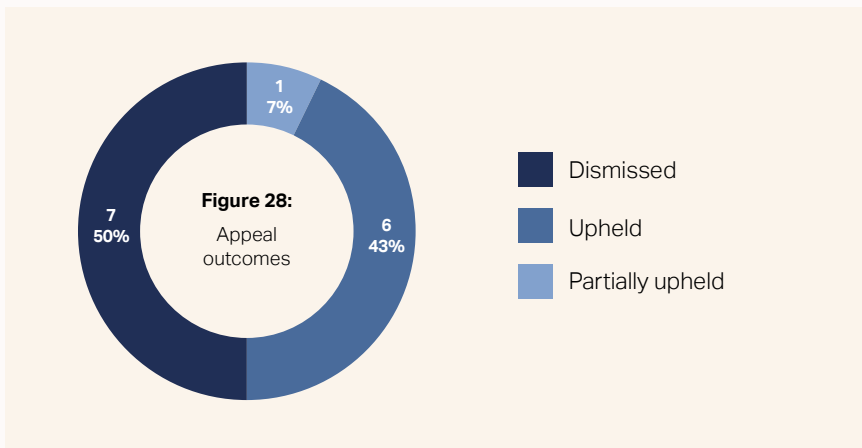
Less adjudicative decisions are made in greyhound racing because there are fewer rule breaches that emerge in a typical race.





Appeal Tribunals

Either a charged person or the RIB may elect to appeal the decision of an adjudicative committee. An appeal could have one of three outcomes in relation to the charge and/or penalty: dismissed, upheld or partially upheld.



| What We Do

Advisory and Advocacy

We work with the codes in relation to rules, policies, and standards. The outcome we are focused on is an ever-improving integrity system and a fair and level playing field for all stakeholders.

The Act requires the RIB to:

- Recommend rule changes or provide feedback on proposed amendments made by the racing codes
- Monitor the operation and effectiveness of the racing integrity system and report to the Minister as required
- Initiate, develop, and recommend to the recognised industry organisations measures to support efficient and effective judicial control.

Changes to Rules, Standards and Policies

Rules

The RIB worked with the codes to support development and implementation of rule changes during the year. Changes of particular note include:

- GRNZ Rules of Racing implemented on 1 February 2023. This was a significant undertaking by GRNZ. The RIB worked with GRNZ through the review and consultation process and supported implementation
- HRNZ implemented a range of rule changes at its AGM in 2022. This included enabling breaking horse protests to be heard by stewards in addition to adjudicators.

Welfare Standards

All codes implemented new or enhanced welfare standards in 2022/23:

- GRNZ Welfare Standards implemented May 2023
- HRNZ Horse Care Regulations implemented October 2022
- Thoroughbred Welfare Detailed Assessment Standards implemented July 2023.

Welfare standards form the basis of kennel and stable audits and therefore the RIB plays a role informing and educating participants about the new standards.

Policies

Policy changes implemented by the codes include:

- Reviewing race abandonment protocols for each code
- Greyhound Euthanasia Policy and Hot Weather Racing and Travel Policy
- NZTR implemented a new code of conduct for participants
- A new NZTR Concussion Policy.

| How We Do It

People and Capability

We focus on strengthening our organisational capability and design, and prioritise the health, safety and wellbeing of our people.

Organisational Design

The animal welfare team was fully mobilised in 2022/23, with the appointment in June of the Head of Veterinary Services.

Work has progressed on a stewarding resource model, which will inform future resourcing requirements and the allocation of resources within a region and nationally.

Learning and Development

Over the last year, learning and development has been an area of focus, particularly building leadership skills, and enhancing capability in Health, Safety and Wellbeing. In 2023/24 we will focus on the delivery of a more structured competency framework.

On-the-job coaching continues to be part of our daily activity at the RIB, especially in stewarding and investigations.

Leadership Training

Leadership capability was identified as a key skills gap and as a result, prioritised.

Our new leadership development programme, delivered by an external provider, includes 360-degree feedback, a three-day course, one-on-one meetings with their manager and one-on-one meetings with an external coach.

People leaders in the stewarding and investigations teams received leadership training first, followed by other senior roles and remaining team members.

Competency Framework

We have developed a competency framework which is a structured approach to skills and competency development. The framework sets out:

- The soft skills which are applicable across all roles
- A comprehensive set of technical competencies, including the assessment approach, for stewarding and investigations roles
- The career and learning pathways, that will guide career progression, for stewarding and investigations roles.

Although our team typically work to high standards, the competency framework enables everyone to understand what is expected, ensures performance is evaluated consistently, and informs personal development planning. It will also help determine where effort is required to develop new training programmes.

The competency framework will undergo constant review and enhancement, with implementation commencing in 2023/24.

Other Learning and Development Activity

A range of other learning and development activities have been undertaken and will continue in the next racing year.

- A review and overhaul of the RIB's induction programme to ensure new people are appropriately inducted and have a positive experience on joining the team
- Training on the new timesheet and rostering system for all stewards and investigators
- Production of a training video on swabbing practices, for all swabbing staff and investigators, along with new swabbing Standard Operating Procedures which will be introduced early in the 2023/24 season
- Training on greyhound health, including the importance of vaccinations, body health scores and the condition of teeth
- Audit training for 45 people in the past year, including auditing practice, the auditing system and welfare standards
- Privacy Act and Information Management Policy training for all RIB staff
- Identifying the need for Cyber Security training. A provider has been contracted to start delivering this training from August 2023.

Working with our Australian Counterparts

As part of the approach to continuous improvement, we work with our Australian counterparts to share New Zealand developments and examine their operating models for improvements that could be applied here.

In the 2022/23 racing season the RIB hosted the Greyhound Welfare Integrity Commission on two occasions, Greyhound Racing New South Wales and Greyhounds Australasia to share learnings on new technologies, injury analysis and population management.

Members of our team undertook five visits to Australian jurisdictions for conferences and to examine operational practices.

Health, Safety and Wellbeing

The RIB is committed to providing a work environment that ensures the ongoing health, safety and wellbeing (HSW) of our people. We have three key priorities to achieve this:

1. Continue to embed HSW in the RIB and ensure risks are being actively managed.
2. Equip all team members through training, policies and information to ensure they are confident in managing HSW.
3. Manage mental wellbeing by providing a work environment that is supportive of people experiencing mental health issues.

Priority One: Proactive HSW Risk Management

The HSW system is now in active use for risk management. Following up on risks has become standard practice - when an issue arises or a risk is identified, mitigation options for reduction or elimination are identified, then learnings are shared with others.

The HSW committee, made up of people from a range of roles, continues to meet regularly. The committee has focused on identifying suitable Personal Protective Equipment (PPE) to help mitigate a range of physical risks to our people, consulting with impacted people, and purchasing and deploying equipment.

The RIB and its health and safety advisor have been working closely with the industry, raising awareness about the Health and Safety at Work Act, and ensuring all people conducting a business or undertaking (PCBU) are familiar with their accountabilities under the Act.

The RIB Board receives a HSW update at each meeting, including a briefing on incidents, committee meetings and progress on key initiatives.

Priority Two: HSW Training and Education

All RIB people have received introductory training in HSW, which now forms part of the RIB's induction program.

First aid training certificates are kept current thanks to the HSW system which sends a notification before a certificate expires.

Priority Three: Mental Health Prevention and Support

The RIB has a constant focus on the wellbeing of its people, through leaders and peers providing day-to-day support and through a range of mental health prevention and support initiatives, including:

- Training in conflict management/situational safety provided to some stewards, with further training planned in 2023/24
- Mental resilience training for some stewards provided by The Salvation Army
- Counselling support for all staff from an external provider, along with an EAP provider.

| How We Do It

Processes and Systems

We are continuously improving our processes and systems with the intent they become simple, consistent, accurate, and modern.

Following a review of RIB exhibit management in 2021, there have been changes to our drug testing processes, including:

- Introducing new sample bottles and packaging
- Implementing changes to processes for filling sample bottles, supported by a training video
- Changing courier procedures for sending samples to the laboratory
- Engaging with racing clubs to improve swabbing facilities
- Documenting standing operating procedures.

The RIB also worked with our external audit partner to implement technology for the new harness and thoroughbred audit programmes, and to update the technology to align with the new greyhound welfare standards.

Standard operating procedures were documented for each of the audit programmes.

In 2022/23 we implemented a range of continuous improvement initiatives to further enhance our operations, including:

- Digitising and operationalising paper forms
- Implementing digital timesheets
- Completing a digital rostering pilot
- Adopting Knowbe4 to deliver cyber security and phishing training
- Procuring a new travel booking partner.

Information and Intelligence

Over the year there has been considerable work to improve data capture and reporting about RIB operations. This has delivered significant improvements to the availability and quality of reporting, especially for the RIB's KPIs (as detailed on page 42).

We continued to develop our website to incorporate minor infringement notices, enabling improvements to reporting and analysis.

As part of the Greyhound Review Programme, the RIB undertook extensive analysis of greyhound racing and welfare data, to verify GRNZ's analysis and help inform the direction of the work programme.

Assurance

We will develop and improve our quality assurance practices, ensuring they are targeted, transparent and guided by lessons learned. This is important in maintaining confidence in the RIB and integrity of racing.

During the year we finished developing our strategic framework. The objectives and core functions established by the Racing Industry Act 2020 inform the framework, which forms the basis of our three-year work programme. (See the Strategic Framework on page 10.)

Our accountability documents – Statement of Intent, Business Plan and Annual Report – are the foundation for setting direction and monitoring performance, which provide assurance to our stakeholders. These can all be viewed on our website.

RIB Policies

During 2022/23 we reviewed existing policies and implemented a range of new policies.

External Reviews

The RIB uses external parties to review aspects its operation, including financials, adjudicative independence, and cyber security.

Over the last year we:

- Implemented changes recommended in an independent financial audit, and those recommended in the 2021/22 annual review of adjudicative independence
- Undertook a cyber security review and implemented recommended changes.

Decision Reviews

Internal decision reviews are an important assurance practice within the RIB, which includes:

- Review of stewards' decisions, with an independent review process in development
- The wider investigations team review of complex investigations, with learnings from these used to inform future investigation plans.

Engagement

Effective stakeholder engagement is vital to both daily operations and continuous improvement within the RIB and the wider racing industry. Our people work with stakeholders across the industry every day to:

- Deliver quality and coordinated race day management
- Ensure the right knowledge is available from across the industry to support effective decision-making
- Stay abreast of current and emerging issues
- Remain alert to the views of stakeholders
- Create awareness of the importance of integrity and safeguards
- Build support and participation in the industry's integrity agenda.

The majority of stakeholders love the sport and are deeply committed to doing the right thing by their people and animals. As a result, engagement activity is mostly positive and conducted in the spirit of co-operation for the betterment of the industry.

Our strategic framework, on page 10, outlines the compliance operating model which strongly influences our engagement approach - providing support and encouragement in the first instance, with enforcement as appropriate.

The RIB's values of being fair, consistent, professional, transparent and teamwork, set the tone for our engagement activity.

Over the year we have made genuine efforts to continue to develop meaningful relationships with our stakeholders, including:

- Maintaining the confidence of the Minister for Racing through regular reporting on the Greyhound Review and responding to Ministerial inquiries
- Preparing accountability documents (Statement of Intent, Business Plan and the Annual Report)
- Regularly meeting with, and responding to requests from each of the codes
- Publishing content on our website to keep our industry stakeholders and the public informed
- Facilitating industry reviews of serious racing incidents
- Attending industry forums to learn about developments, provide an RIB update and gain feedback on our services.

While maintaining our independence, we remain committed to regular and constructive stakeholder engagement to ensure integrity is seen as a critical enabler to the success of the industry.



| Adjudicative Independence

Section 44(2) of the Racing Industry Act 2020 (the Act) requires the RIB Board to ensure, as appropriate, its compliance functions and adjudication functions are performed independently of each other.

Section 49(2)(b) states the annual report must include assurance about how the independence of the Board's compliance and adjudicative functions has been maintained.

The RIB has established systems, policies and procedures to deliver this and annually commissions an independent review to ensure these functions are operating in accordance with the legislation.

The 2023 independence review assesses the RIB's operation over the past 12 months in relation to each of the five following characteristics of independence:

- Structures and systems supporting independent performance
- Institutional clarity on the requirement for independence
- Resourcing that supports the proper performance of the functions
- Strict information management between the performance of the functions
- Ensuring accountability without compromising independence.

The review concluded the RIB is meeting its requirement to ensure compliance and adjudication functions are performed independently of each other and made suggestions for consideration for the Board.

It found the RIB has either fully implemented, or is making good progress towards implementing recommendations made in the 2022 independence review.

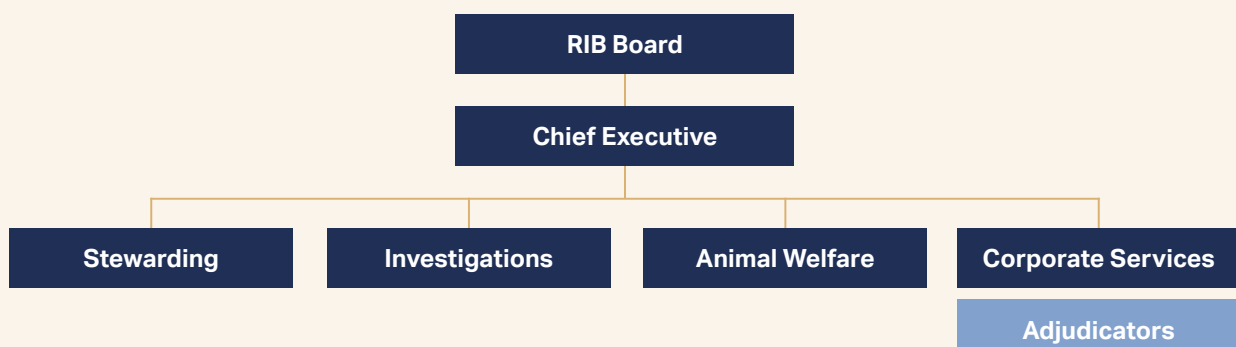
Characteristics of Independence

The review considered the five characteristics of independence, which are summarised below.

Structure and Systems

The RIB organisation structure shows distinct reporting lines for the two compliance functions (investigations and stewarding), with adjudication reporting through corporate services.

Figure 29: The RIB Organisation Structure



All adjudication panel members are independent contractors and therefore free from the influence and control of an employment relationship. Adjudication panel members include a range of vocational experience including racing industry, senior lawyers and former members of the judiciary. This experience is invaluable in ensuring independent leadership and decision making by adjudication panel members.

The review confirmed RIB structures and systems are consistent with the requirement to ensure, as appropriate, the independent performance of functions.

Institutional Clarity

The review found the RIB has a good level of institutional clarity on the requirement for independence. RIB's compliance staff are familiar with the fact that the compliance and adjudication functions are performed independently, in line with legislation.

Resourcing

There was no concern about resourcing impacting on adjudicative independence.

Information Management

Compliance staff cannot access non-public adjudication data and information, and adjudication staff cannot access compliance data and information. This separation is enabled by the RIB's Information Management and Privacy Policies and the way information technology systems are structured.

Accountability

Compliance staff must abide by the terms of their employment agreement which requires compliance with all RIB policies. The employment agreement makes it clear that staff have a responsibility to carry out the RIB's statutory responsibilities and functions with the highest levels of honesty and integrity.

The Notice of Appointment of Adjudicative Panel and Appeals Tribunal members sets out the requirements with which panel members must comply. These requirements correctly reflect the balance between the RIB's responsibility to ensure that adjudicative panel members conduct themselves lawfully and appropriately without interfering in the substantive decision-making of adjudicative committees or the appeals tribunal.

There continue to be significant further accountability mechanisms in place in relation to adjudicative decision-making:

- All adjudicative committee and appeals tribunal decisions are posted on the RIB website to ensure transparency of the racing judicial system.
- Principles of natural justice apply and are enforceable by the parties.
- The RIB is subject to oversight of the High Court through the supervisory jurisdiction of Judicial Review.

| Measures of Performance

Of the 19 KPIs for the 2022/23 season, 13 were achieved and six were not.

Noted below is some commentary for each of the KPIs not achieved.

KPI 3: Stakeholders surveyed believe the operation and effectiveness of the racing integrity system has improved in the last 12 months.

The result for this KPI is based on a survey conducted in August 2023. 34.6% of respondents reported services had improved, with 62% noting services were about the same.

The RIB is committed to working with stakeholders to ensure effective integration of all race day functions, including racing club liaison.

Feedback from the survey will inform a plan intended to improve this assessment.

KPI 5: Investigations completed within 6 weeks of initiation.

The result for this KPI was 83.3% against a target of 90%. A total of 264 investigations were completed over the season. The 6.7% which were not completed within the KPI mainly related to increased complexity in investigations.

KPI 6: Complaints registered with the RIB processed within 5 working days.

92% of complaints were processed within five working days, against a target of 95%. The management of two complaints contributed to missing the target.

KPI 13: Adjudicative decisions published on the RIB website within 5 working days of the decision being made.

This KPI was met in three of the four quarters in the season. In the December quarter, a cyber security breach resulting in the shutdown of the website impacted the overall result, with an achievement of 86.5% against a target of 95%.

KPI 14: GRNZ Minor Infringements processed within 5 working days of receipt of papers.

A result of 93.8% against a KPI of 95% was due to an internal process area which has since been rectified.

KPI 15: Animal Welfare audits conducted: at greyhound kennels, harness stables and thoroughbred stables.

Greyhound kennel audits: the performance of 65.5% against a target of 100% was due to delays in GRNZ's implementation of the new greyhound welfare standards and a subsequent request by GRNZ to delay full audits.

Harness stable audits: audits were conducted in harness for the first time, with 93 out of the target 100 audits completed during the season.

Thoroughbred audits; there were no thoroughbred audits conducted during the 2022/23 season as the code's new Welfare Detailed Assessment Standards were not implemented until July 2023.

#	KPI DESCRIPTION	TARGET	2022/23
Compliance			
1	Stewards attend and officiate at all code race meetings.	100%	100%
2	Clubs surveyed are satisfied with the race day stewarding services provided.	85%	86.5%
3	Stakeholders surveyed believe the operation and effectiveness of the racing integrity system has improved in the last 12 months.	70%	34.6%
4	Original compliance and enforcement decisions and interventions confirmed on internal review.	80%	98.7%
5	Investigations completed within 6 weeks of initiation.	90%	83.3%
6	Complaints registered with the RIB processed within 5 working days.	95%	92%
7	Race rule breaches charged within 96 hours.	90%	98.9%
8	Animal race day drug tests conducted to starters.	10%	10.6%
9	Race day tests compliant with the swabbing protocols and procedures.	99%	99.9%
10	Human participant testing for drugs and alcohol (300 per annum).	100%	103%
Adjudication			
11	Adjudicative matters processed within 10 working days (excluding race day charges).	90%	100%
12	Number of successful appeals against Adjudicative Committee decisions.	<2%	0.6%
13	Adjudicative decisions published on the RIB website within 5 working days of the decision being made.	95%	86.5%
14	GRNZ Minor Infringements processed within 5 working days of receipt of papers.	95%	93.8%

#	KPI DESCRIPTION	TARGET	2022/23
Welfare			
15	Animal welfare audits conducted:	100%	51.7%
	a. Greyhound kennels - all licenced	100%	65.5%
	b. Harness stables - 100 per annum	100%	93%
	c. Thoroughbred stables - 110 per annum	100%	0%
16	Animal testing:	95%	99.7%
	a. Race day swabs taken – 9000 per annum	95%	100%
	b. Out of competition tests performed – 1000 per annum	95%	100%
	c. TCO2 tests performed – 2700 per annum	95%	98.8%
17	Clubs surveyed are satisfied with the race day veterinary services provided.	85%	94.2%
Adjudication			
18	Requests from the codes in relation to rule changes are responded to by the RIB.	100%	100%
19	Codes adopt RIB recommendations in whole or in part for consulted rule changes.	75%	92.2%

2022/23 Business Plan

Milestones

There were nine key milestones set out in the 2022/23 RIB Business Plan. Noted below is an update on progress against each milestone.

#	MILESTONE	COMMENTS
Adjudication		
1	Work with the codes to consider race day model options, including adjudication, and implement changes as appropriate.	<p>Ongoing</p> <p>During the season under review, steward-based race day decisions for breaking horse protests was introduced.</p> <p>The appointment process for adjudicators and appeal tribunal members was reviewed and approved by the Board for implementation in 2023/24.</p>
Animal Welfare		
2	Greyhound Review final report to the Minister for Racing.	<p>Complete</p> <p>The report was delivered to the Ministers, as scheduled, on 12 December 2022.</p>
3	Work with the equine codes to design an appropriate approach to stable audits, inspections and visits for the 2023/24 season, based on a discovery phase in 2022/23.	<p>Complete</p> <p>Audit programme for harness was designed and implemented. The thoroughbred programme was designed, and implementation will commence early in the new season.</p>
4	Re-audit all greyhound kennels in the 2022/23 season.	<p>Partially</p> <p>Delays in GRNZ's implementation of the Welfare Standards impacted the RIB's audit schedule.</p>

#	MILESTONE	COMMENTS
People and capability		
5	Complete development of competency frameworks for all RIB functions, along with a people development programme.	<p>Complete</p> <p>Design of the competency framework for stewarding and investigations functions was completed.</p> <p>The competency framework will undergo constant review and enhancement, with implementation commencing in 2023/24.</p>
6	Implement any changes to organisational structure and systems to support the RIB fulfilling its statutory functions.	<p>Ongoing</p> <p>Animal Welfare team in place.</p> <p>Undertaken resource model development to support future decision making.</p>
7	Continue to embed the HSW system as an integral part of the RIB culture.	<p>Ongoing</p> <p>Policy and practice reviewed and changed to adopt learnings. HSW practices embedded, requiring ongoing monitoring and reinforcement to ensure continued high levels of compliance.</p>
Assurance		
8	RIB strategic framework developed.	<p>Complete</p> <p>The framework was rolled out across RIB teams and forms the basis for our three-year work plan.</p>
9	Implement findings from the 2021/22 exhibit handling review.	<p>Complete</p> <p>Key recommendations implemented, with Clubs' venue improvements as longer-term initiatives.</p>



Financial Statements

Statement of Comprehensive Revenue and Expenses

For the year ended 31 July 2023	Notes	Actuals 2023 \$000	Unaudited Budget 2023 \$000	Actuals 13-months ended 2022 \$000
Revenue				
<u>Non-exchange revenue</u>				
TAB NZ funding - operating		13,688	13,688	13,834
TAB NZ funding - capital programme		-	-	2,236
TAB NZ funding - leave liability		-	-	664
TAB NZ funding - lab assets		-	-	844
Other non-exchange revenue		48	-	55
<u>Exchange revenue</u>				
Gain on disposal		16	-	4
Interest received		184	32	48
Total revenue		13,936	13,720	17,685
Expenses				
Personnel costs	4	5,762	5,670	5,769
Other expenses	3	7,703	7,633	7,196
Depreciation expense	7	580	717	797
Total expenses		14,045	14,020	13,762
Surplus or deficit for the period				
Net (deficit)/surplus for the period		(109)	(300)	3,923
Other comprehensive revenue and expenses		-	-	-
Total comprehensive revenue and expenses		(109)	(300)	3,923

Statement of Financial Position

As at 31 July 2023	Notes	Actuals	Unaudited Budget	Actuals
		2023	2023	2022
		\$'000	\$'000	\$'000
Assets				
<u>Current assets</u>				
Cash at bank		641	2,235	3,151
Term deposits	5	1,500	-	-
Receivables	6	298	194	231
Prepayments		99	21	95
Total current assets		2,538	2,450	3,477
<u>Non-current assets</u>				
Receivables	6	-	-	53
Property, plant and equipment	7	3,139	3,091	1,976
Total non-current assets		3,139	3,091	2,029
Total assets		5,677	5,541	5,506
Liabilities				
<u>Current liabilities</u>				
Payables and accrued expenses	8	881	836	751
Income received in advance		156	-	64
Employee entitlements	9	689	695	629
Total current liabilities		1,726	1,531	1,444

Statement of Financial Position (continued)

<u>Non-current liabilities</u>				
Payables and accrued expenses	8	-	-	2
Total non-current liabilities		-	-	2
Total liabilities		1,726	1,531	1,446
Net assets		3,951	4,010	4,060
Equity				
Amalgamation reserve		137	137	137
Accumulated surplus		3,814	3,873	3,923
Total equity		3,951	4,010	4,060

These financial statements have been approved for and on behalf of the Board by:



Kristy McDonald ONZM KC, RIB Board Chair



Mike Clement, RIB Chief Executive

25 October 2023

Date

Explanation for major variances against budget are provided in Note 17

These financial statements should be read in conjunction with the notes to the financial statements

Statement of Changes in Equity

Actuals	Notes	Accumulated surplus	Amalgamation reserve	Total
		<u>\$000</u>	<u>\$000</u>	<u>\$000</u>
Balance at 1 July 2021		-	137	137
Total comprehensive revenue and expense		3,923	-	3,923
Balance at 31 July 2022		3,923	137	4,060
Total comprehensive revenue and expense		(109)	-	(109)
Balance at 31 July 2023		3,814	137	3,951

Budget (Unaudited)	Notes	Accumulated surplus	Amalgamation reserve	Total
		<u>\$000</u>	<u>\$000</u>	<u>\$000</u>
Balance at 1 August 2022		4,173	137	4,310
Total comprehensive revenue and expense		(300)	-	(300)
Balance at 31 July 2023		3,873	137	4,010

Explanation for major variances against budget are provided in Note 17

These financial statements should be read in conjunction with the notes to the financial statements

Statement of Cash Flows

For the year ended 31 July 2023	Notes	Actuals	Unaudited Budget	Actuals
		2023	2023	13-months ended 2022
		<u>\$000</u>	<u>\$000</u>	<u>\$000</u>
Cash flows from operating activities				
Receipts from TAB NZ funding		13,688	13,688	14,498
Receipts from other revenue		139	32	32
Interest received		129	-	48
Payments to suppliers		(7,530)	(8,370)	(6,528)
Payments to employees		(5,702)	(5,475)	(5,834)
Net GST paid		(7)	762	(197)
TAB NZ funding for capital purchases		-	-	2,236
Net cash from operating activities		717	637	4,255
Cash flows from investing activities				
Proceeds from disposal of property, plant and equipment		16	-	15
Purchase of property, plant and equipment		(1,743)	(1,120)	(1,307)
Purchase of investments		(1,500)	-	-
Net cash used in investing activities		(3,227)	(1,120)	(1,292)
Net (decrease)/ increase in cash		(2,510)	(483)	2,963
Cash at the beginning of the period		3,151	2,718	188
Cash at the end of the period		641	2,235	3,151
Represented by:				
Cash at bank		641	2,235	3,151
Total cash and cash equivalents		641	2,235	3,151

Explanation for major variances against budget are provided in Note 17

These financial statements should be read in conjunction with the notes to the financial statements

Notes to the Financial Statements

1. Statement of Accounting Policies

Reporting Entity

The Racing Integrity Board (RIB) is a statutory body formed under section 42 of the Racing Industry Act 2020 and is domiciled and operates in New Zealand. The relevant legislation governing the RIB's operations includes the Racing Industry Act 2020 and Public Audit Act 2001.

The RIB is a 'subsidiary' of the Crown, as the term 'subsidiary' is defined in section 5(2)(a) of the Public Audit Act 2001 (the Act). It is therefore a public entity under sections 5(1)(f) and 5(2)(a) of the Act. In addition, the Crown is able to control the composition of the Board because it appoints all the members of the Board.

The RIB is a public benefit entity (PBE) for financial reporting purposes. The RIB does not operate to make a financial return.

Basis of Preparation

The financial statements have been prepared on a going concern basis, and the accounting policies have been applied consistently throughout the period.

The RIB is in the second year of operations and therefore the comparative information presented is for the 13 month period from the date of RIB's establishment, 1 July 2021 to 31 July 2022, as opposed to one financial year as presented for 2023.

Statement of compliance

The financial statements of the RIB have been prepared in accordance with the requirements of the Racing Industry Act 2020 and in accordance with generally accepted accounting practice in New Zealand (NZ GAAP).

The financial statements have been prepared in accordance with and comply with PBE Standards Reduced Disclosure Regime (RDR) and the concessions applied on the basis that expenditure exceeds \$2 million but is less than \$30 million.

Presentation currency and rounding

The financial statements are presented in New Zealand dollars and all values are rounded to the nearest thousand dollars (\$000), except for Board member remuneration and related party transactions in Note 11, which are rounded to the nearest dollar.

Basis of measurement

The financial statements have been prepared on the historical cost basis except for donated assets that are recorded at fair value on acquisition and business combinations that are achieved through amalgamation are measured at carrying value.

2. Summary of Significant Accounting Policies

The significant accounting policies used in the preparation of these financial statements are set out below.

Goods and services tax

Items in the financial statements are stated exclusive of GST, except for receivables and payables, which are stated on a GST-inclusive basis. Where GST is not recoverable as input tax, it is recognised as part of the related asset or expense.

The net amount of GST recoverable from, or payable to, the Inland Revenue Department (IRD) is included as part of receivables or payables in the statement of financial position.

The net GST paid to or received from the IRD, including the GST relating to investing and financing activities, is classified as an operating cash flow in the statement of cash flows.

Income tax

Sections CW 38(2) of the Income Tax Act 2007 exempts the RIB from income tax. Accordingly, no provision has been made for income tax.

Budget and forecast figures

The budget figures are derived from the statement of performance expectations as approved by the Board at the beginning of the financial year. The budget figures have been prepared in accordance with NZ GAAP, using accounting policies that are consistent with those adopted by the Board in preparing these financial statements.

Critical accounting judgements, estimates and assumptions

The preparation of financial statements in conformity with PBE standards requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Where material, information on significant judgements, estimates and assumptions is provided in the relevant accounting policy or provided in the relevant note disclosure.

In the process of applying the RIB's accounting policies, management has made the following judgements and estimates, which have the most significant effect on the amounts recognised in the financial statements:

- Useful lives of property, plant, and equipment - refer to Note 7 and accounting policy 'Property, plant and equipment'
- Fair value of donated assets - refer to accounting policy 'Donated Assets' relating to 2022

The estimates and underlying assumptions are based on historical experience and various other factors believed to be reasonable under the circumstances. Estimates are subject to ongoing review and actual results may differ from these estimates. Revisions to accounting estimates are recognised in the year in which the estimate is revised and in future years affected.

Revenue

The specific accounting policies for significant revenue items are explained below:

Non-exchange revenue

TAB NZ Funding

Revenue from TAB NZ is measured based on the RIB's funding entitlement for the reporting period. The funding entitlement is approved by the Minister for Racing, after approval from TAB NZ and consultation with the Racing Codes. Approval is provided before the start of each financial year, which starts 1 July. Funding is provided quarterly and as there are no conditions attached to the funding it is recognised as revenue at the point it becomes receivable. This is considered to be the start of the each period to which the funding relates.

TAB NZ also provided funding in the prior period for asset purchases and to fund the leave liability assumed on amalgamation. This revenue is recognised at the point it became receivable. In addition, TAB NZ donated laboratory assets, refer to donated assets policy below.

Donated Assets

Where a physical asset is gifted to or acquired by the RIB for nil consideration or at a subsidised cost, the asset is recognised at fair value. The difference between the consideration provided and the fair value of the asset is recognised as revenue. The fair value of donated assets is determined as follows:

- For new assets, fair value is usually determined by reference to the retail price of the same or similar assets at the time the asset was received.
- For used assets, fair value is usually determined by reference to market information for assets of a similar type, condition, and age.

As the RIB have received used laboratory testing equipment in the prior period, this has been recorded with reference to market information by a verified specialist third party for assets of a similar type, condition, and age. This has subsequently been recorded as non-exchange revenue in the statement of revenue and expenses.

Other Income

Other income is recognised when the right to receive payment is established or on an accrual basis with the substance of the relevant agreement.

Exchange revenue

Interest Revenue

Interest income is recognised in the statement of revenue and expenses as it is earned. Interest income is accrued using the effective interest rate method.

Personnel Costs

Salaries and Wages

Salaries and wages are recognised as an expense as employees provide services.

Superannuation Schemes

Defined contribution schemes

Employer contributions to the KiwiSaver are accounted for as defined contribution superannuation schemes and are expensed in the surplus or deficit as incurred.

Financial Instruments

Financial assets and liabilities are recognised when the entity becomes a party to the contractual provisions of the financial instruments.

The entity derecognises a financial asset or part of a group of similar financial assets when the rights to receive cash flows from the asset have expired or are waived, or the entity has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party; and either;

- the entity has transferred substantially all the risks and rewards of the asset;
- the entity has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

Financial Assets

Financial assets within the scope of the PBE IPSAS 41 Financial Instruments: Recognition and Measurement are classified as financial assets at fair value through surplus or deficit, fair value through other comprehensive revenue and expenses or amortised cost. The classifications of the financial assets are determined at initial recognition.

The RIB classifies its financial assets as financial assets at amortised cost.

Amortised cost

Financial assets are classified in this category if they are held in order to collect their contractual cash flows, and their contractual cash flows are solely payments of principal and interest.

The RIB's financial assets carried at amortised cost are cash and cash equivalents, term deposits and receivables.

Financial assets carried at amortised cost are initially recognised at fair value plus directly attributable transaction costs and are thereafter carried at amortised cost using the effective interest method, less provision for impairment.

Impairment of financial assets

The provision for impairment of receivables is determined by applying a simplified approach to measuring expected credit losses, which calculates a lifetime expected loss allowance. To measure expected credit losses, receivables are grouped based on shared credit risk characteristics and days past due. An expected loss rate is then applied to each of these groups; these loss rates are based on historical loss rates, adjusted to reflect current and forward-looking information on macroeconomic factors affecting the ability of counterparties to settle receivables. Impairment on receivables is recognised in a separate provision account, with the loss being recognised in surplus or deficit. On confirmation that a receivable will not be collectable, the gross carrying value of the asset is written off against the associated provision.

The entity assesses at the end of reporting date whether there is objective evidence that a financial asset or a group of financial assets is impaired. A financial asset or a group of financial assets is impaired and impairment losses are incurred if there is objective evidence of impairment as a result of one or more events that occurred after the initial recognition of the asset (a 'loss event') and that loss event has an impact on the estimated future cash flows of the financial asset or the group of financial assets that can be reliably estimated.

Impairment provisions for other financial assets are recognised based on a forward looking expected credit loss model.

The methodology used to determine the amount of the provision is based on whether there has been a significant increase in credit risk since initial recognition of the financial asset. For those financial assets where the credit risk has not increased significantly since initial recognition, twelve month expected credit losses, along with gross interest income, are recognised. For those financial assets for which credit risk has increased significantly, lifetime expected credit losses, along with gross interest income, are recognised. For those financial assets that are determined to be credit impaired, lifetime expected credit losses, along with interest income on a net basis, are recognised.

Financial Liabilities

The RIB's financial liabilities include trade and other creditors (excluding GST and PAYE).

All financial liabilities are initially recognised at fair value (plus transaction cost for financial liabilities not at fair value through surplus or deficit) and are measured subsequently at amortised cost using the effective interest method. The entity holds no financial liabilities at fair value through surplus or deficit.

Other expenses

Other expenses

Other expenses are recognised as goods and services when they are received.

An operating lease is a lease that does not transfer substantially all the risks and rewards incidental to ownership of an asset to the lease. Lease payments under an operating lease are recognised as an expense on a straight-line basis over the lease term. Lease incentives received are recognised in the surplus or deficit as a reduction of rental expense over the lease term.

Cash and cash equivalents

Cash and cash equivalents include cash on hand, deposits held on call with banks, and other short-term, highly liquid investments with original maturities of three months or less.

Term deposits

Term deposits comprise of deposits with original maturities greater than three months and therefore do not fall into the category of cash and cash equivalents.

Receivables

Short-term receivables are recorded at the amount due, less an allowance for credit losses. The RIB applies the simplified expected credit loss model of recognising lifetime expected credit losses for receivables. In measuring expected credit losses, receivables have been assessed on a collective basis as they possess shared credit risk characteristics. They have been grouped based on the days past due. Receivables are written off when there is no reasonable expectation of recovery. Indicators that there is no reasonable expectation of recovery include the debtor being in liquidation.

Receivables which are expected to be settled after 12 months have been classified as non-current.

Property, plant and equipment

Property, plant, and equipment consists of asset classes, which are measured at cost less accumulated depreciation and impairment losses:

- equipment;
- computer equipment;
- laboratory testing equipment;
- furniture and fittings; and
- motor vehicles.

Individual assets are capitalised if their cost is greater than \$1,000 (excluding GST) or the expected useful life exceeds 12 months. The value of an individual asset that is less than \$1,000 (excluding GST) and is part of a group of similar assets purchased collectively may be capitalised.

Additions

The cost of an item of property, plant and equipment is recognised as an asset only when it is probable that the future economic benefits or service potential associated with the item will flow to the RIB and the cost of the item can be measured reliably.

In most instances, an item of property, plant and equipment is initially recognised at its cost. Where an asset is acquired through a non-exchange transaction, it is recognised at its fair value as at the date of acquisition as is the case with the donated laboratory testing equipment.

Disposals

Gains and losses on disposals are determined by comparing the proceeds with the carrying amount of the asset. Gains and losses on disposals are reported net in the surplus or deficit.

Depreciation

Depreciation is provided on a straight-line basis on all property, plant and equipment at rates that will write-off the cost of the assets to their estimated residual values over their useful lives. The useful lives and associated depreciation rates of major classes of property, plant and equipment have been estimated as follows:

	Useful Life	Depreciation Rate
Equipment	3-6 years	17% - 33%
Computer equipment	2-13 years	8% - 50%
Laboratory testing equipment	2-8 years	13% - 50%
Furniture and fittings	5-10 years	10% - 20%
Motor vehicles	4 years	25%

Impairment

The RIB does not hold any cash-generating assets, therefore all assets are non-cash generating assets.

Assets are considered cash generating where their primary objective is to generate a commercial return.

Property, plant, and equipment are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount might not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable service amount. The recoverable service amount is the higher of an asset's fair value, less costs to sell, and value in use.

Value in use is the present value of an asset's remaining service potential. It is determined using an approach based on either a depreciated replacement cost approach, a restoration cost approach, or a service units approach. The most appropriate approach used to measure value in use depends on the nature of the impairment and availability of information.

If an asset's carrying amount exceeds its recoverable service amount, the asset is regarded as impaired and the carrying amount is written down to the recoverable service amount.

The reversal of an impairment loss is recognised in the surplus.

Payables and accrued expenses

Short-term payables are recorded at the amount payable and are subsequently measured at amortised cost.

Employee entitlements

Short-term Employee Entitlements

Employee benefits that are expected to be settled wholly before twelve months after the end of the reporting period in which the employees render the related service are measured based on accrued entitlements at the current rates of pay. These include salaries and wages accrued up to balance date, annual and alternate public holidays earned, but not yet taken at balance date.

Long-term Employee Entitlements

Employee benefits that are not expected to be settled wholly before twelve months after the end of the reporting period in which the employees render the related service, such as long service have been calculated on an actuarial basis. The calculations are based on:

- Likely future entitlements accruing to employees, based on years of service, years to entitlement, the likelihood that employees will reach the point of entitlement, and contractual entitlement information; and
- Present value of the estimated future flows.

Presentation of Employee Entitlements

Annual leave and alternate public holidays earned are classified as a current liability. All other employee entitlements are classified as a non-current liability.

Equity

Equity is measured as the difference between total assets and total liabilities. Equity is disaggregated and classified into the following components:

- amalgamation reserve; and
- accumulated surplus.

On 1 July 2021, RIB obtained control over the operations of the New Zealand Racing Integrity Unit ('RIU') and the Judicial Control Authority ('JCA') as a result of an amalgamation, an amalgamation reserve was recognised, which represent the net assets transferred.

3. Other Expenses

Other expenses are made up of the following;	Actuals	Actuals
	2023	13-months ended 2022
	<u>\$000</u>	<u>\$000</u>
Animal welfare expenses	114	103
Audit fees	61	77
Board expenses	96	88
Change management	404	508
Computer expenses	190	178
Consumables	81	58
Drug testing expenses	2,162	2,198
Doubtful debt expenses	78	-
Exhibit management expenses	67	-
Fringe benefits expenses	189	204
Health and safety	57	58
Hearing expenses	149	143
Insurance	74	71
Legal expenses	317	198
Motor vehicle expenses	197	223
Office expenses	12	29
Panel expenses	503	477
Printing and postage	40	37
Professional services & subscriptions	184	270
Race day vet expenses	1,441	1,195
Racing film services	280	306
Rental expenses	194	158
Software	35	37
Telephone and internet	58	60
Travel expenses	500	422
Other expenses	220	98
Total other expenses	7,703	7,196

4. Personnel Costs

Personnel costs include the following components;	Actuals	Actuals
	2023	13-months ended 2022
	<u>\$000</u>	<u>\$000</u>
Salaries and wages	5,626	5,636
Contribution to KiwiSaver	136	133
Total employee costs	5,762	5,769

5. Term Deposits

	Actuals 2023 \$000	Actuals 13-months ended 2022 \$000
Term deposits	1,500	-
Total term deposits	1,500	-

The term deposit has a 12 month term maturing on 5 December 2023, with an interest rate of 5.61%.

6. Receivables

	Actuals 2023 \$000	Actuals 13-months ended 2022 \$000
Current		
Accounts receivable - non-exchange	91	23
Less provision for doubtful debts	(77)	-
Total accounts receivable	14	23
Accrued interest	54	-
GST receivable	204	197
Other receivables	26	11
Total current receivables	298	231
Non-current		
Accounts receivable - non-exchange	-	53
Total non-current receivables	-	53
Total receivables	298	284

7. Property, plant and equipment

Movements for each class of property, plant and equipment are as follows:

	Equipment \$000	Computer Equipment \$000	Laboratory Testing Equipment \$000	Work in Progress \$000	Furniture & Fittings \$000	Motor Vehicles \$000	Total \$000
Cost							
Opening balance at 1 August 2022	7	193	1,861	-	10	1,009	3,080
Additions	12	40	969	444	8	270	1,743
Disposals	-	-	-	-	-	(127)	(127)
Closing balance at 31 July 2023	19	233	2,830	444	18	1,152	4,696
Accumulated depreciation and impairment							
Opening balance at 1 August 2022	1	57	317	-	1	728	1,104
Depreciation for the period	3	52	360	-	1	164	580
Disposal depreciation write back	-	-	-	-	-	(127)	(127)
Closing balance at 31 July 2023	4	109	677	-	2	765	1,557
Carrying amount 31 July 2022	6	136	1,544	-	9	281	1,976
Carrying amount 31 July 2023	15	124	2,153	444	16	387	3,139

Critical accounting estimates and assumptions

Estimating useful lives and residual values of property, plant, and equipment

At each balanced rate, the useful lives of property, plant, and equipment are reviewed. Assessing the appropriateness of useful life and residual value estimates of property, plant, and equipment requires a number of factors to be considered such as the physical condition of the asset, expected period of use of the asset by the RIB, and expected disposal proceeds from the future sale of the asset.

An incorrect estimate of the useful life or residual value will affect the depreciation expense recognised in the surplus or deficit, and carrying amount of the asset in the statement of financial position. The RIB minimises the risk of this estimation uncertainty by:

- physical inspection of assets;
- asset replacement programs;
- review of second-hand market prices for similar assets; and
- analysis of previous asset sales.

8. Payables and Accrued Expenses

	Actuals 2023 \$000	Actuals 13-months ended 2022 \$000
Current		
Trade creditors	710	543
Credit cards	41	31
Accrued expenses	110	151
Other payables	20	26
Total current payables and accrued expenses	881	751
Non-current		
Other payables	-	2
Total non-current payables and accrued expenses	-	2
Total payables and accrued expenses	881	753

9. Employee Entitlements

	Actuals 2023 \$000	Actuals 13-months ended 2022 \$000
Salary accrual	20	28
Leave entitlements	669	601
Total employee entitlements	689	629

10. Non-cancellable Operating Lease Commitments

	Actuals 2023 \$000	Actuals 13-months ended 2022 \$000
Not later than one year	174	172
Not later than one year and not later than five years	317	491
Later than five years	-	-
Total non-cancellable operating lease commitments	491	663

The RIB leases a printer, with the non-cancellable contract ending May 2026.

The RIB leases office spaces in the following locations:

- Wellington, with the non-cancellable contract ending May 2025;
- Auckland, with the non-cancellable contract ending on June 2026 with 1 right of renewal for a further term of 5 years;
- Christchurch, with the non-cancellable contract ending on May 2027.

11. Related Party Transactions

Related party transactions arise when an entity or person(s) has the ability to significantly influence the financial and operating policies of RIB.

The RIB is a statutory body created under the Racing Industry Act 2020 and is controlled by the Crown. The RIB undertakes many transactions with other State-Owned Enterprises, Crown Entities and Government Departments in the normal course of business which are not disclosed here.

Key Management Personnel

The key management personnel, as defined by PBE IPSAS 20 *Related Party Disclosures*, are the members of the governing body which is comprised of the Board and the Chief Executive, which constitutes the governing body of the RIB. The aggregate remuneration of key management personnel and the number of individuals, determined on a full-time equivalent basis, receiving remuneration is as follows:

	Actuals 2023 \$	Actuals 13-months ended 2022 \$
Board members		
Total Remuneration	90,404	81,341
Full-Time Equivalent Members	5	5

Due to the difficulty in determining the full-time equivalent for board members, the full-time equivalent figure is taken as the number of board members.

Leadership Team		
Total Remuneration	677,502	526,677
Full-Time Equivalent Members	3.00	2.01
Total Key Management Personnel Remuneration	767,906	608,018
Total Full-Time Equivalent Personnel	8.00	7.01

12. Financial instruments

Categories of financial assets and liabilities

The carrying amounts of financial instruments presented in the statement of financial position relate to the following categories of assets and liabilities:

Financial assets At amortised cost	Actuals 2023 \$000	Actuals 13-months ended 2022 \$000
Current		
Cash at bank	641	3,151
Term deposits	1,500	-
Receivables	117	34
Accrued interest	54	-
Non-current		
Receivables	-	53
Total	2,312	3,238

Financial liabilities At amortised cost	Actuals 2023 \$000	Actuals 13-months ended 2022 \$000
Current		
Trade creditors	710	543
Credit cards	41	31
Accrued expenses	110	151
Other payables	20	26
Non-current		
Other payables	-	2
Total	881	753

13. Capital commitments

As at 31 July 2023, the RIB has laboratory testing equipment on order totalling \$58,990 (2022: The RIB has laboratory testing equipment on order totalling \$968,265)

14. Contingent liabilities

There are no contingent liabilities as at 31 July 2023 (2022: nil).

15. Subsequent events

The RIB has no subsequent events after the reporting date to disclose (2022: nil).

16. Comparatives

In order to be consistent with the current year we have reclassified the salary accrual to employee entitlements.

17. Explanation of major variances against budget

Statement of comprehensive revenue and expenses

Actual interest revenue was \$152k higher than budget due to active treasury management during the year and associated interest. Other non-exchange revenue of \$48k was unplanned revenue from hearings and represents on charges of legal costs.

Actual other expenses were \$70k higher than budget and include provision for doubtful debt and increased legal expenses to support integrity disputes. This was offset by lower than budgeted depreciation expenses of \$137k due to delays in the purchasing and deployment of upgraded laboratory testing equipment.

Overall expenses for the year were \$25k higher than budget and include legal costs that have been on charged thus offset in unplanned revenue.

Deficit for the year was \$191k improvement on budget.

Statement of financial position and statement of cash flows

Current assets are \$88k higher than budget largely due to an increase in debtors as a result of increased hearings.

Liabilities are \$195k higher than budget and include \$156k of DIA Point of Consumption Charge (POCC) income. POCC income is required to be spent on the racing industry integrity function around betting corruption and is planned to be spent in 2024.

Actual cash at bank balance was \$1,594k less than budget represented by \$1,500k invested in a term deposit.



Independent Auditor's Report

To the readers of Racing Integrity Board's financial statements for the year ended 31 July 2023.

The Auditor-General is the auditor of the Racing Integrity Board ('RIB'). The Auditor-General has appointed me, Sarah Turner, using the staff and resources of PricewaterhouseCoopers, to carry out the audit of the financial statements of the RIB on his behalf.

Opinion

We have audited the financial statements of the RIB on pages 47 to 68, that comprise the statement of financial position as at 31 July 2023, the statement of comprehensive revenue and expenses, the statement of changes in equity and the statement of cash flows for the year ended 31 July 2023 and the notes to the financial statements that include the statement of accounting policies and other explanatory information.

In our opinion the financial statements of the RIB on pages 47 to 68:

- present fairly, in all material respects:
 - its financial position as at 31 July 2023; and
 - its financial performance and cash flows for the year ended 31 July 2023; and
- comply with generally accepted accounting practice in New Zealand in accordance with New Zealand Public Benefit Entity Reduced Disclosure Regime.

Our audit was completed on 26 October 2023. This is the date at which our opinion is expressed. The basis for our opinion is explained below. In addition, we outline the responsibilities of the Board members and our responsibilities relating to the financial statements, we comment on other information, and we explain our independence.

Basis for our opinion

We carried out our audit in accordance with the Auditor-General's Auditing Standards, which incorporate the Professional and Ethical Standards and the International Standards on Auditing (New Zealand) issued by the New Zealand Auditing and Assurance Standards Board. Our responsibilities under those standards are further described in the Responsibilities of the auditor section of our report.

We have fulfilled our responsibilities in accordance with the Auditor-General's Auditing Standards.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Responsibilities of the Board members for the financial statements

The Board members are responsible on behalf of the RIB for preparing financial statements that are fairly presented and that comply with generally accepted accounting practice in New Zealand.

The Board members are responsible for such internal control as it determines is necessary to enable it to prepare financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Board members are responsible on behalf of the RIB for assessing the RIB's ability to continue as a going concern. The Board members are also responsible for disclosing, as applicable, matters related to going concern and using the going concern basis of accounting, unless there is an intention to liquidate the RIB or to cease operations, or there is no realistic alternative but to do so.

The Board members' responsibilities arise from the Racing Industry Act 2020.



Responsibilities of the auditor for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements, as a whole, are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion.

Reasonable assurance is a high level of assurance but is not a guarantee that an audit carried out in accordance with the Auditor-General's Auditing Standards will always detect a material misstatement when it exists. Misstatements are differences or omissions of amounts or disclosures and can arise from fraud or error. Misstatements are considered material if, individually or in the aggregate, they could reasonably be expected to influence the decisions of readers taken on the basis of these financial statements.

For the budget information reported in the financial statements, our procedures were limited to checking that the information agreed to the RIB's statement of intent 2022/2023.

We did not evaluate the security and controls over the electronic publication of the financial statements.

As part of an audit in accordance with the Auditor-General's Auditing Standards, we exercise professional judgement and maintain professional scepticism throughout the audit. Also:

- We identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- We obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the RIB's internal control.
- We evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Board members.
- We conclude on the appropriateness of the use of the going concern basis of accounting by the Board members and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the RIB's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the RIB to cease to continue as a going concern.
- We evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with the Board members regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Our responsibilities arise from the Public Audit Act 2001.



Other Information

The Board members are responsible for the other information. The other information comprises the information included on pages 2 to 46 and 73 to 74, but does not include the financial statements, and our auditor's report thereon.

Our opinion on the financial statements does not cover the other information and we do not express any form of audit opinion or assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information. In doing so, we consider whether the other information is materially inconsistent with the financial statements, or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If, based on our work, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Independence

We are independent of the RIB in accordance with the independence requirements of the Auditor-General's Auditing Standards, which incorporate the independence requirements of Professional and Ethical Standard 1: *International Code of Ethics for Assurance Practitioners* issued by the New Zealand Auditing and Assurance Standards Board.

Other than in our capacity as auditor, we have no relationship with, or interests in, the RIB.

A handwritten signature in black ink that reads 'Sarah Turner'.

Sarah Turner
On behalf of the Auditor-General
Wellington, New Zealand

The PricewaterhouseCoopers logo, written in a cursive, handwritten-style font.

PricewaterhouseCoopers



| Acronyms

Acronym	Definition
HRNZ	Harness Racing New Zealand
HSW	Health Safety Wellbeing
GRNZ	Greyhound Racing New Zealand
KPI(s)	Key Performance Indicator(s)
MINs	Minor Infringement Notices
MPI	Ministry for Primary Industries
NAWAC	National Animal Welfare Advisory Committee
NZRLS	New Zealand Racing Laboratory Services
NZTR	New Zealand Thoroughbred Racing
OCT	Out of Competition Testing
RIB	Racing Integrity Board
SPCA	Society for the Prevention of Cruelty to Animals
TAB	TAB New Zealand
TCO2	Total Carbon Dioxide

| Contact Us



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Confidential Integrity Line

Make an anonymous report by
calling 0508 742 123