



OFFICE OF AUDIT AND EVALUATION

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Evaluation of the Canadian Pari-Mutuel Agency

RDMC, November 30, 2018



Agriculture and
Agri-Food Canada

Agriculture et
Agroalimentaire Canada

Canada

Evaluation of the Canadian Pari-Mutuel Agency (CPMA)

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Abbreviations

AAFC	Agriculture and Agri-Food Canada
CPMA	Canadian Pari-Mutuel Agency
EDCP	Equine Drug Control Program
GBA+	Gender-Based Analysis Plus

EXECUTIVE SUMMARY

Purpose

The Office of Audit and Evaluation of Agriculture and Agri-Food Canada (AAFC) undertook an evaluation of the Canadian Pari-Mutuel Agency (CPMA) to assess the relevance, performance, efficiency, and effectiveness of the Agency. The results of this evaluation are intended to inform current and future program and policy decisions.

Methodology and Scope

The evaluation assessed the CPMA over a five-year period, from April 1, 2013 to March 31, 2018. The evaluation methodology included a review of program documents, performance and financial data; a review of relevant literature; interviews with internal and external stakeholders; and a survey of horsepersons (owners, trainers, drivers, grooms, et al.).

Background

The CPMA is a special operating agency of the federal government within AAFC that is tasked with regulating and supervising pari-mutuel betting in Canada on horse racing to ensure that it is done in a manner that is fair to the public. The CPMA is located within the Corporate Management Branch of AAFC, and it carries out four functional activity areas: operations; equine drug control; policy and planning; and corporate services.

The CPMA is funded through a 0.8 percent levy on each bet on horse racing placed in Canada. In fiscal year 2017-18, this amounted to \$9.9-million.

Findings

- The horse racing industry is a significant component of the entertainment industry in Canada, with Canadians placing over \$1-billion annually in wagers on horse races being hosted in Canada or in other countries. These betting activities are subject to rules established in the *Criminal Code*. The Minister of Agriculture and Agri-Food is responsible to support the proper enforcement of these rules, which is achieved through the activities undertaken by the CPMA.
- The provinces and the CPMA play complementary roles in overseeing horse racing activities in Canada, and the evaluation found no instance of duplication between the two levels of governments. There is, however, an ongoing need to ensure that industry stakeholders and the general public have an adequate understanding of this division of roles and responsibilities.
- During the evaluation period, the CPMA issued all appropriate permits, licences, and authorizations requested by race courses and betting theatres operating in Canada, and proceeded with the required inspections and testing of tote systems.
- The CPMA implemented a risk-based monitoring model that relied predominantly on remote monitoring activities. This new system led to efficiencies, but also some uncertainties among industry stakeholders as to the extent of monitoring activities undertaken by the CPMA. Incidents identified during this monitoring process did not involve serious violations and were promptly resolved.

- In the policy development area, the CPMA successfully implemented an incorporation by reference model, which expands the range of pari-mutuel products that can be offered to the Canadian betting public.
- The CPMA operates a rigorous Equine Drug Control Program that directly contributes to the integrity of betting activities occurring during horse races held in Canada. The Program continues to participate in research activities to ensure that testing activities adapt to the emerging drugs being used in the industry. The CPMA has engaged in outreach and knowledge transfer activities, and the evaluation has identified a need for the CPMA to ensure that its communications to industry stakeholders, particularly horse owners and trainers, are written in an inclusive, plain language format. This will help to ensure that no barrier may prevent some groups of Canadians from accessing and benefiting from its activities.
- The CPMA has undertaken a range of initiatives that support an efficient delivery of its programs and activities, including a range of new technologies that are expected to improve its ongoing interactions with the industry, its monitoring activities, and its drug control activities.

Recommendations

Recommendation 1: The CPMA should develop a plain language communication strategy that considers diversity and inclusiveness components to better support its interactions with industry stakeholders, including communication activities to support a broad awareness and understanding of the remote activities undertaken as part of its risk-based monitoring model.

Recommendation 2: The CPMA should refine its performance measurement strategy to align it with the opportunities provided through the implementation of its new technological systems.

Management has agreed to develop an inclusive plain language communications strategy and refine its performance measurement strategy, both of which will be completed by August 31, 2019.

1.0 INTRODUCTION

The Office of Audit and Evaluation of Agriculture and Agri-Food Canada (AAFC) undertook the evaluation of the Canadian Pari-Mutuel Agency (CPMA) as part of the 2017-18 to 2022-23 Integrated Audit and Evaluation Plan. This evaluation fulfills a requirement of the *Financial Administration Act* and the Treasury Board's *Policy on Results*. The results of this evaluation are intended to inform current and future program and policy decisions.

The CPMA is a special operating agency of the federal government within AAFC that is tasked with regulating and supervising pari-mutuel betting in Canada on horse racing to ensure that it is done in a manner that is fair to the public. The CPMA is located within the Corporate Management Branch of AAFC, and is under the responsibility of an Executive Director.

2.0 METHODOLOGY AND SCOPE

The Office of Audit and Evaluation conducted the evaluation in accordance with the Treasury Board's *Policy on Results* and *Directive on Results*. It assessed the relevance, performance, efficiency, and effectiveness of the CPMA. The scope of the evaluation includes all activities that the CPMA undertook over a five-year period, from April 1, 2013 to March 31, 2018.

The evaluation utilized the following methods to collect and analyze relevant data and information: a review of program documents, performance and financial data; a review of relevant literature; interviews with internal and external stakeholders; and a survey of horsepersons (owners, trainers, drivers, grooms, et al.). The detailed evaluation methodology is in Annex A.

3.0 THE CANADIAN PARI-MUTUEL AGENCY

3.1 Objectives

The legal foundation for the CPMA was established through a 1920 amendment to the *Criminal Code*, creating a federal responsibility for supervising pari-mutuel betting on horse racing. Contrary to other betting models where payouts are predetermined, pari-mutuel betting is a form of betting where those who have winning tickets divide the total amount bet in proportion to their wagers, less a portion that is set aside for management, levies or taxes, as set by each jurisdiction. The 1920 amendment to the *Criminal Code* led to the establishment of the Race Track Division of the Federal Agriculture Department in 1971, which the federal government replaced in 1992 with the CPMA.

The CPMA establishes programs and activities to fulfill the obligations under Section 204 of the *Criminal Code*, which designates the Minister of Agriculture and Agri-Food as responsible for the development of regulations and the enforcement of policy and regulatory functions pertaining to pari-mutuel betting in Canada on horse races, as well as other complementary regulations.

Various stakeholders have an interest in, and are affected by, the CPMA. These include:

- Race courses. These may be owned by private or public corporations, and may be run on a for-profit or not-for-profit basis;
- Horse groups. These are groups that are involved in the owning, training, and breeding of race horses;
- Betting public. Through the levy on betting, the public supports the activities of the CPMA; and,

- Provincial regulatory bodies. These bodies are responsible for managing, directing, regulating, supervising, and officiating horse racing, as well as licensing owners, trainers, drivers, and others.

It should be noted that, with the exception of pari-mutuel betting on horse racing, gambling in Canada is exclusively the purview of the provinces.

3.2 Activities

The CPMA's mandate is to ensure that pari-mutuel betting in Canada on horse racing is conducted in a way that is fair to the betting public. The CPMA's areas of responsibilities include pari-mutuel supervision, drug control on pari-mutuel races, and policy and regulatory development. The CPMA's four functional activity areas are: operations; equine drug control; policy and planning; and corporate services.

3.3 Resources

The CPMA is funded through a 0.8 percent levy on each bet placed in Canada on horse racing. In fiscal year 2017-18, this amounted to \$9.9-million. The total revenues and expenses for the period of 2013-14 to 2017-18 are summarized in Table 1.

Table 1: Summary of revenues and expenses of the CPMA (\$ '000)

	2013-14	2014-15	2015-16	2016-17	2017-18
Revenues	10,231	10,999	10,211	10,239	9,900
Expenses					
• Salaries and benefits	3,805	3,364	3,122	3,109	3,368
• Professional and special services	3,215	3,470	4,294	5,043	4,847
• Other expenses	1,355	1,139	1,115	1,197	1,198
Total expenses	8,375	7,973	8,531	9,349	9,413

Source: CPMA administrative data

4.0 PROGRAM RELEVANCE

4.1 Continued Need

The CPMA undertakes a range of activities that addresses the needs of the betting public and of the horseracing industry, ensuring that pari-mutuel betting is conducted fairly and that an adequate regulatory framework exists.

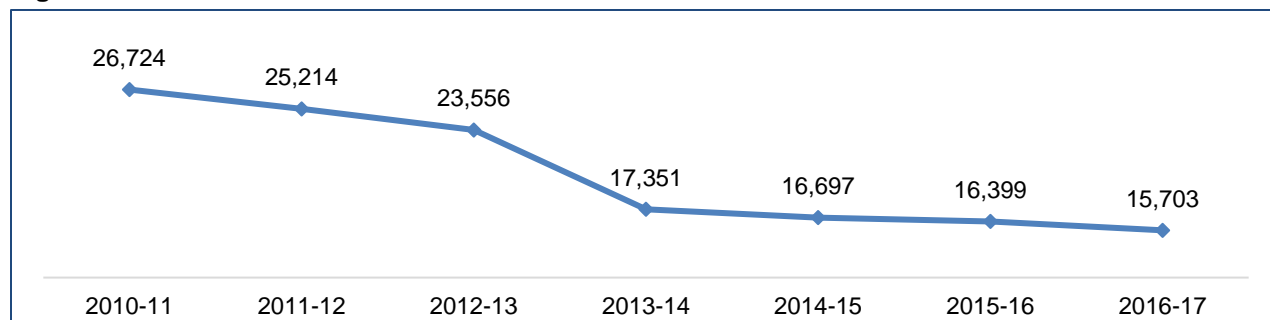
Canadian involvement in horse racing

Horse racing has long been part of Canada's history. The first official horse racing season organized by the Upper Canada Turf Club in 1837 is said to be the beginning of the horse racing industry in the Canada. During the period that followed, horse racing became a lasting component of the entertainment industry in many regions in the country, particularly in Ontario. In 2012, Strategic Equine Inc. published what remains the most recent detailed profile of the Canadian horse racing industry, and the study speaks to the significant scope of this sector.¹ As of 2010:

- Just over 45,000 horses were active in horse racing in Canada, and they were owned by around 21,000 owners.
- Over 27,000 races had been held in Canada, and more than \$310-million had been distributed in purses to horse owners and racers.
- Canadians had placed \$1.5-billion in wagers on horse racing held both in Canada and in other locations around the world (through simulcast), and over \$1.1-billion had been paid out to bet winners.
- The horse racing industry supported more than 47,000 full-time equivalent jobs.
- The total annual economic contribution from the Canadian horse racing sector was estimated at \$5.7-billion.

The industry experienced a number of changes between 2010 and 2017, as it had been particularly hard hit by the 2008 global economic crisis. Pari-mutuel bets placed in Canada decreased by 15 percent over a two-year period, followed by more modest declines (around three percent) experienced during most of the remaining years of this period. The number of live horse races held in the country declined, and stood at 15,703 races in 2016-17 (Figure 1).

Figure 1: Number of live horse races in Canada



Source: CPMA Business Plan 2018-19 to 2020-21

¹ Vel Evans, *The Economics of Horse Racing in 2010*, Horse Racing in Canada (Newmarket, Ontario: Strategic Equine Inc., March 2012), pp. 1–72 <<http://www.strategicequine.ca/downloads/ECONOMICS-RACING-FULL-REPORT-MARCH-2012.pdf>>.

Despite these contractions, the horse racing industry continues to involve significant levels of betting activities. In 2017, Canadians placed just under \$1.3-billion in wagers on horse races held both in Canada and in other locations around the world. Of particular importance for this report is that the vast majority of betting activities are conducted remotely, through simulcast technologies. This includes Canadians betting on horse races being held in other Canadian locations, as well as in other countries. More specifically:

- Just under 85 percent of all betting in Canada is done through simulcast (as opposed to attending live races).
- 69 percent of all betting is placed on races occurring in other countries. Most recently in 2016, this represented \$892-million placed by Canadians on foreign races.

Evolving context of horse racing

While the fundamental purpose of the CPMA, namely protecting the betting public, has remained largely unchanged over time, the context in which it operates continues to adjust to the many dynamics and drivers that constantly reshape the gambling industry. The extent to which the CPMA can effectively adapt to this evolving context has a direct impact on the relevance of its activities.

As previously noted, 85 percent of betting on horse races is done remotely (through simulcast), and just under 70 percent is placed on horse races held in other countries. Consequently, a clear distinction should be made between the needs and expectations of the Canadian betting public and those of the Canadian horse racing industry.

Needs of the betting public

The betting public's primary need is to ensure that it participates in races that are held fairly, in the absence of any fraudulent or other illegal means that could affect the results of races or the adequate distribution of payouts. From this standpoint, at least three scenarios should be considered:

- If the public is placing pari-mutuel wagers on races held in Canada, the CPMA is responsible for ensuring that the race courses or betting theatres hold the required permits or licences; for overseeing the operations of the tote systems (the actual totalizator systems used to calculate the wagers and distribute the payouts); and for proceeding with the required testing on horses to ensure that they are running without any prohibited drugs that could unfairly impact their performance.
- If the public is placing pari-mutuel wagers on races held in other countries, through betting theatres located in Canada, the CPMA is expected to offer largely the same protection, with the exception of drug control testing, which is done by the assigned authority in the country where each race is held. When Canadians place wagers on races occurring in other countries, they are still placing these bets through a tote system under the supervision of the CPMA.
- If the public is placing bets on horse racing through means other than the pari-mutuel betting options authorized by the CPMA, this scenario does not fall within the scope of the CPMA, and consequently, the public does not access any of the protection and benefits that the CPMA may offer.

Needs of the industry

While the betting public is the primary focus of the CPMA, the Agency is expected to consider industry needs, by providing an adequate regulatory framework in which the industry can operate and grow, in addition to delivering the required permits and licences to permit pari-mutuel betting. The industry is expected to benefit from the monitoring and protection activities undertaken by the CPMA (including drug control), as these activities provide assurances to the betting public, which in turn may facilitate its participation in the different events offered by the industry.

During interviews, industry stakeholders acknowledged the important role of the CPMA in providing the required assurances that uphold the integrity of horse racing in Canada. Primary concerns of industry representatives were not so much on the work undertaken by the CPMA, but rather on the current restrictions that are imposed on the range of betting products that may be offered within the current pari-mutuel betting model and the Agency's ability to adapt to the changing context of the gambling industry in general. According to the industry, to attract new generations of individuals interested in betting on horse races, the industry needs to offer a wider range of products, including simpler options that the public can more readily participate in without having the level of understanding and knowledge that have historically been expected from the horse racing betting public. Existing legislative and regulatory frameworks can accommodate some of these options (e.g., some forms of exotic wagering), but not all of them (e.g., betting on historical horse races). According to industry representatives, there is an urgent need to review that framework, including both the provisions included in the *Criminal Code*, and its associated regulations. In light of the mounting pressure to broaden the access to gambling on professional sport events this is seen as particularly important and relevant to the industry. However, CPMA's mandate is not intended to adapt to needs of the industry that reach beyond the pari-mutuel betting model.

Industry stakeholders consulted through interviews raised the challenges associated with gambling products that fall outside the pari-mutuel model of betting. For instance, a number of websites and online applications allow registered users to engage in horse racing gambling that is not pari-mutuel, such as predetermined payouts. Such products, however, fall outside the scope of the CPMA mandate.

In sum, the fundamental purpose of the CPMA to protect the betting public remains relevant. However, the horseracing industry in Canada is faced with significant competition and pressures to modernize its offerings, which could involve options that reach beyond the pari-mutuel betting model. In this context, not all demands of the industry can, or should, be accommodated by the CPMA, as these would require, among other things, changes to the *Criminal Code*, which must be led by the Department of Justice Canada.

4.2 Alignment with Government and Departmental Priorities

CPMA's activities directly support the enforcement of the *Criminal Code* provisions that establish the conditions under which pari-mutuel betting on horse racing can lawfully occur in Canada. Having the CPMA in the AAFC portfolio remains the most suitable model to support the achievement of this goal.

Evaluation findings indicate that the activities undertaken by the CPMA fully support the government-wide priority of upholding the rule of law, by ensuring that the provisions of the *Criminal Code* concerning horse racing are properly implemented and enforced. While CPMA is unlike traditional AAFC programs, it indirectly aligns with AAFC's current programming priorities, which focus on the agriculture sector's access to global markets, science and innovation, and the management of risks associated with agriculture activities. The sector is reliant on CPMA's oversight and supporting programming to improve its access to global markets. National regulatory oversight and credible, consistent programming across the country is important to the acceptance and success of Canadian pari-mutuel products in international horse racing markets. Moreover, the CPMA's Equine Drug Control Program is a science-based program that undertakes innovative research, and is seen as a leading science-based regulator on the world stage. Central to its core mandate, the CPMA minimizes risk for the Canadian betting public through its programming and activities.

The evaluation explored whether it is appropriate for the CPMA, in its capacity as a special operating agency, to remain under AAFC, or if it should instead report to another organization. During the period covered by the evaluation, AAFC's Strategic Policy Branch prepared a study that considered the feasibility of various options in that regard, and concluded that the current model remains the most suitable. Both the review of relevant documents and studies undertaken as part of this evaluation, and interviews conducted with stakeholders from AAFC, provincial governments and the industry, support having the CPMA remain under AAFC. No alternative model emerged that would offer added benefits in monitoring and overseeing pari-mutuel betting in Canada on horse racing.

4.4 Alignment with Federal Roles and Responsibilities

The distribution of roles and responsibilities between the CPMA and provincial authorities is clearly established, but it is not entirely understood by all key stakeholders involved in horse racing activities.

Duty to oversee betting activities

In Canadian law, betting is a prohibited activity unless otherwise authorized. This is based on the moral principle that, while gambling can be a harmless form of amusement, it can lead to abuse and exploitation and, as a result, the betting public should be adequately protected. In 1886, the Parliament of Canada adopted a series of provisions that restricted gambling activities, with the exception of gambling on horse racing, which was authorized under certain conditions. Since the formal adoption of the *Criminal Code* in 1892, the federal government has continuously used this legislative mechanism to frame and manage gambling on horse racing. In particular, after having suspended all betting activities during the First World War, the federal government reinstated race track betting in 1920, using a pari-mutuel system. This was followed by amendments to the *Criminal Code* in 1969 to permit other forms of gambling and gaming to be instituted, including lotteries, and in 1985 to give provinces the exclusive authority to manage lotteries.

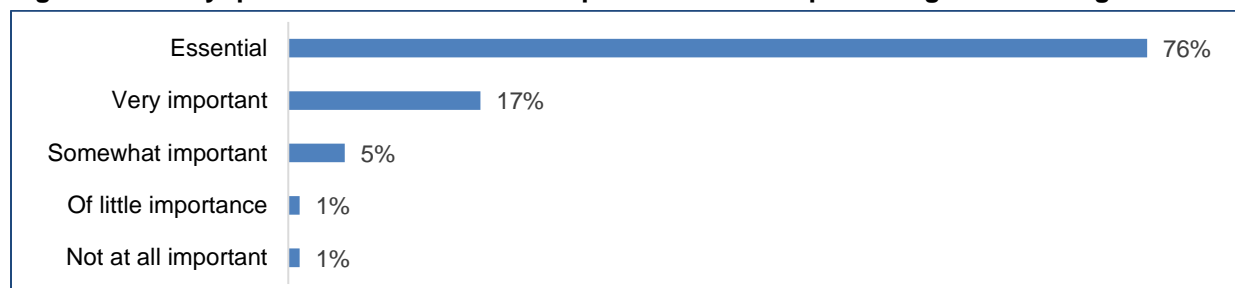
Evaluation findings confirm that the logic behind the federal government's historical involvement in overseeing betting on horse racing continues to hold true. With over \$1-billion in pari-mutuel bets being placed by Canadians on horse racing every year, and an entire industry that relies on the integrity and fairness of races being held, the monitoring activities that the federal government undertakes are as needed today as they were a century ago.

From a more procedural perspective, the relevance of activities undertaken by the CPMA is further established in that they support the proper implementation of the provisions of the *Criminal Code* sections 201 to 204 concerning betting activities on horse races. In the absence of the CPMA, the federal government, and the Minister of Agriculture and Agri-Food more specifically, would not have the means required to successfully operationalize the applicable requirements contained in the *Criminal Code*.

Distribution of roles and responsibilities

The activities of the CPMA focus on pari-mutuel betting supervision, drug control, and policy and regulatory development. Stakeholders involved in horse racing recognize the importance of these activities. In particular, interview findings point to strong support for having a national entity to properly monitor wagering activities and to ensure a consistent approach across the country, regardless of the size of the horse racing industry found in each region. Moreover, interviewees emphasized the essential role played by the Equine Drug Control Program, a finding that survey data supported, as illustrated in Figure 2.

Figure 2: Survey question: Please rate the importance of the Equine Drug Control Program



Source: Evaluation survey (n=223)

The federal government therefore has a defined role to play in horse racing: protecting the betting public. The CPMA's policy development work, and the monitoring activities it performs, directly relate to the fairness of the pari-mutuel betting system. Even the drug control activities that the CPMA carries out are primarily concerned with the fairness of the pari-mutuel betting system, as opposed to a more general concern with the welfare of racing horses, although this too is an ongoing consideration.

In this context, the provinces assume a wider range of responsibilities for horse racing activities. Through their assigned regulatory bodies, the provinces "manage, direct, regulate and supervise the conduct of horse racing," including the judging of races, in addition to being responsible to "licence owners, trainers, drivers, and others involved in the industry."² Provinces are responsible for enforcing all violations, including those relating from the use of prohibited drugs.

Even in areas where the CPMA is involved, provincial authorities play complementary roles, particularly when it comes to managing the outcomes of a positive test conducted as part of the CPMA Equine Drug Control Program (Table 2).

² Agriculture and Agri-Food Canada, *Canadian Pari-Mutuel Agency Business Plan 2018-19 to 2020-21*, p.8.

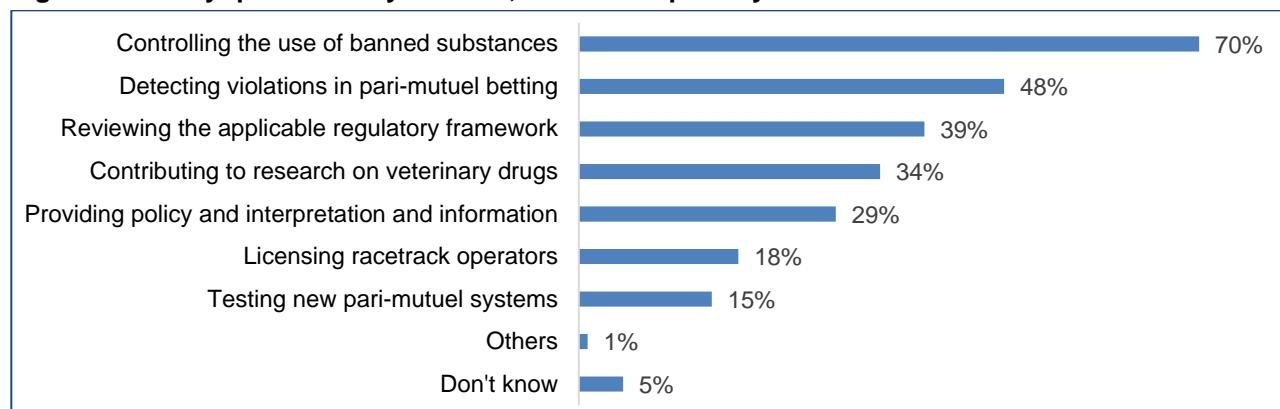
Table 2: Distribution of roles and responsibilities in horse racing in Canada

	CPMA	Provinces
Pari-mutuel betting surveillance	<ul style="list-style-type: none"> • Licenses Canadian race track operators and betting theatres to conduct pari-mutuel betting on horse races • Tests and monitors all computerized betting tote systems • Audits betting transactions and activities • Conducts investigations into questionable pari-mutuel betting activities • Supports the enforcement of the <i>Pari-Mutuel Betting Supervision Regulations</i>, the relevant <i>Criminal Code</i> provisions, and other relevant regulations 	<ul style="list-style-type: none"> • Licenses horsepersons • Judges races (including determining order of finish) • Distributes racing purses
Policy and regulatory development	<ul style="list-style-type: none"> • Reviews the regulatory framework on pari-mutuel betting with the input and involvement of a broad range of stakeholders • Participates in international fora 	<ul style="list-style-type: none"> • Oversees health and welfare of horses • Sets rules of racing
Equine drug control program	<ul style="list-style-type: none"> • Provides drug elimination guidelines to industry • Conducts testing of race horses on race day and issues certificates of positive analysis • Conducts research on new drugs 	<ul style="list-style-type: none"> • Adjudicates cases of positive analysis • Conducts out-of-competition testing and investigations • Conducts drug testing for some substances through Memoranda of Understanding with the CPMA

Source: CPMA administrative documents

Industry and provincial stakeholders consulted as part of this evaluation indicated that the distribution of roles and responsibilities between the CPMA and the provinces is well established. This is based in part given that the CPMA is a recognized organization, with a mandate that is focussed on pari-mutuel betting, whereas provinces have a mandate more generally concerned with the racing itself. Survey findings confirm that stakeholders are well aware of the focus of the CPMA on the fairness of the betting process, including the control of prohibited drugs that could enhance the performance of horses (Figure 3).

Figure 3: Survey question: In your view, what is the primary role of the CPMA?



Note: Respondents could provide more than one answer; therefore, columns will sum to more than 100 percent.
 Source: Evaluation survey (n=223)

However, the evaluation found some ambiguities among owners and trainers with regard to the administration of the drug control program. Not all trainers and owners understand that the primary

role of the CPMA, with respect to drug control, is to collect the samples and issue certificates of positive analysis when applicable, and that the actual adjudication resulting from a positive result is the responsibility of the provinces. Once the CPMA issues a certificate of positive analysis, provincial authorities must establish and enforce the fines and other associated penalties (e.g., suspension), something that is not clearly understood among all racing stakeholders.

5.0 PERFORMANCE

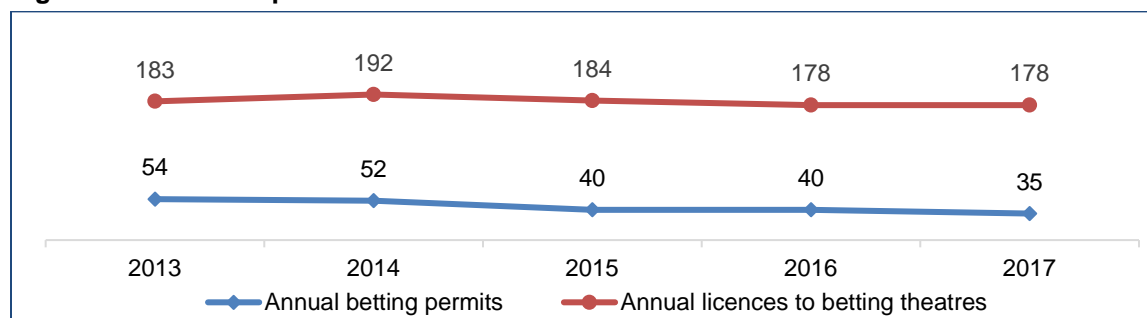
5.1 Pari-mutuel Licensing and Supervision

The CPMA has issued all appropriate permits, licences and authorizations requested by the horse racing industry. It has implemented a new risk-based monitoring model.

Issuing permits and licences

Every year, the CPMA issues annual betting permits to race courses throughout Canada that are hosting pari-mutuel betting activities. Between 2013 and 2017, the CPMA issued an average of 49 such permits per year, with amendments as required. The CPMA issues annual licences to betting theatres that offer simulcast activities. The CPMA issued an average of 183 such licences yearly during the evaluation period (Figure 4). There are no targets with regard to the number of permits and licences issued, as the CPMA is responding to applications received from the industry.

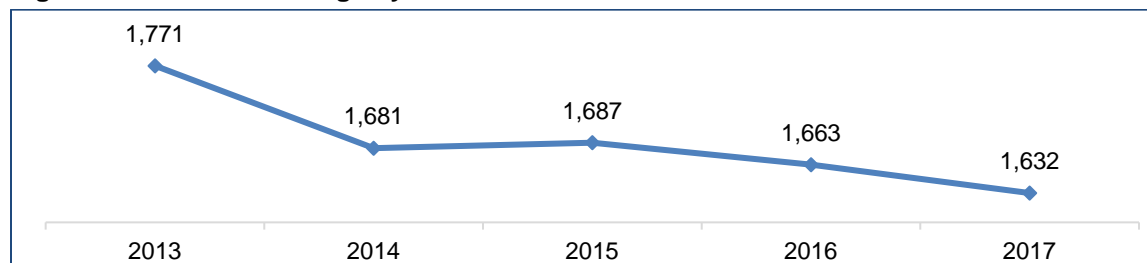
Figure 4: Number of permits and licences issued



Source: CPMA Business Plans

The slight downward trend in the number of permits and licences that the CPMA issued partly reflect that the number of racing days in Canada decreased during this period (Figure 5).

Figure 5: Number of racing days in Canada



Source: CPMA Business Plans

In the case of simulcasting activities, the CPMA delivers specific authorizations to conduct Inter-Track Betting, Separate Pool Betting, or Foreign Race Inter-Track Betting. Over the evaluation period, the CPMA delivered between 2,500 and 3,000 of these authorizations yearly.

Evaluation findings confirm that the CPMA responded to all appropriate requests for permits, licences, or authorizations that race courses and betting theatres submitted. As needed, CPMA representatives work with applicants to obtain the necessary information or clarifications. As noted during interviews, large race courses are familiar with this process, while smaller race courses (e.g., offering one or two days of horse racing per year) require a greater level of assistance.

Monitoring races and betting activities

As part of its monitoring activities, CPMA personnel undertake inspections of race courses and pari-mutuel betting theatres. These inspections are conducted either on-site or remotely. Table 3 includes the statistics on the number of inspections conducted between 2014 and 2017. The current practice is that all race tracks are inspected at least once a year, with follow-up inspections as required. As for betting theatres, all new theatres are inspected, and 40 per cent of existing theatres, inspected yearly, on a rotating basis.

Table 3: Inspections of race tracks and betting theatres completed by the CPMA

		2014	2015	2016	2017
Race courses	Number of inspections	26	39	39	37
	Number of incidents	11	8	13	10
Betting theatres	Number of inspections	59	43	29	57
	Number of incidents	n/a	4	9	11

Source: CPMA administrative data

Table 3 indicates the number of incidents reported during these visits. For pari-mutuel betting, an incident is an occurrence that causes an effect or consequence on pari-mutuel betting that may breach any one or more provisions of the Regulations and/or Section 204 of the Criminal Code (e.g., incorrect order of finish, races cancelled and pools refunded). A more detailed analysis of these incidents confirm that they are minor in nature, and typically concern the set of requirements established in sections 25 to 27 of the *Pari-Mutuel Betting Supervision Regulations* on the general information that should be made available to the betting public, information on each race conducted, or information on past performances of racing horses. These incidents were promptly resolved. Fewer inspections of betting theatres were completed in 2016 because efforts were focused on completing Foreign Race Inter-Track Betting audits. Despite there being fewer inspections of betting theatres in 2016, the CPMA still met their target, which was to inspect 20 per cent of all betting theatres. This target increased to 40 per cent in 2017.

In addition, CPMA personnel respond to other service demands on an ongoing basis, which may be complaints, incidents, or enquiries that are brought to their attention. Table 4 includes the number of demands for the three years of available data. The 2016 increase was related to drug control enquiries.

Table 4: Ongoing monitoring activities undertaken by the CPMA

Nature of follow-up activities	2015	2016	2017
Complaints	38	15	20
Incidents	56	36	39
Enquiries	19	29	18
Total	113	80	77

Source: CPMA administrative data

A detailed review of these monitoring activities confirm that they generally relate to specific races during which unexpected events occurred, such as technical difficulties, accidents, or race cancellations. These events did not involve serious breaches, and were promptly resolved.

Finally, the CPMA undertakes various tests of betting products and platforms, which may be done to permit new types of betting pools to be used. As indicated in Table 5, the vast majority of these tests that were conducted during the evaluation period were on inter-tote communications systems (protocols used to enable different tote company machines to communicate).

Table 5: Number of tote systems tested by the CPMA

Types of test	2013-14	2014-15	2015-16	2016-17	2017-18
Tote software full pricing test	1	1	0	3	2
Tote software new bet type pricing test	1	2	3	0	1
Inter-tote communications test	7	2	1	12	12
Tote hardware test	0	1	0	0	0
New account wagering platform test	0	1	2	0	0

Source: CPMA administrative data

Overall, the evaluation indicates that the CPMA has successfully conducted the required monitoring activities that fall within its mandate. One of the prime innovations introduced during the evaluation period is the decision to proceed with monitoring activities that are conducted remotely, limiting the on-site inspections to specific cases that require such an approach. One of the key advantages of proceeding remotely is that a core team of staff members are conducting these activities on a full-time basis, enabling them to gain greater knowledge and experience. Under the previous model, where all inspections were conducted on-site, staff members who were assigned to regions with lower levels of horse racing activities were only working part of the year, which was limiting their ability to gain and build experience.

What the evaluation indicates, however, is that proceeding remotely reduces the exposure that race track stakeholders have to CPMA personnel and the monitoring activities they undertake. During interviews, some stakeholders indicated that they were unsure about the level of monitoring activities that the CPMA is undertaking under this new model. This points to a need to ensure that all stakeholders are properly informed on how remote monitoring is conducted, and the level of protection it provides to the betting public.

5.2 Policy and Regulatory Development

The CPMA has initiated policy and regulatory initiatives, including the incorporation by reference of model rules, to significantly expand the range of betting products that may be offered to the betting public. The CPMA is a leading regulatory agency in the use of incorporation by reference of model rules.

Aligning the policy and regulatory framework with current needs

In accordance with subsection 204 (9) of the *Criminal Code*, the Minister of Agriculture and Agri-Food is responsible for making the required regulations on pari-mutuel betting on horse racing and the associated equine drug control. The CPMA supports the Minister by leading changes to the *Pari-Mutuel Betting Supervision Regulations* to address emerging issues or needs.

One of the most significant changes adopted in recent years is the incorporation by reference of model rules concerning certain pari-mutuel betting options. Put simply, the Association of Racing Commissioners International has created and is maintaining a vast repertoire of “model rules” that any jurisdiction is invited to adopt to appropriately frame and oversee its horse racing activities. This repertoire covers all aspects of horse racing, such as wagering, betting pools, totalizator systems, drug testing, animal care, racing monitoring and judging, or licensing. The goals are to avoid the duplication of efforts, and to promote high standards and best practices among jurisdictions involved in horse racing.

Canada has proceeded with the incorporation by reference of some of these rules concerning different types of betting pools. Incorporation by reference is a common mechanism whereby certain documents that are external to a set of regulations are becoming part of the said regulations “by reference”. More specifically, the *Pari-Mutuel Betting Supervision Regulations* provide calculation rules for five types of betting pools (Pay-out Price of Win, Pay-out Price of Place, Pay-out Price of Show, Pay-out Price of Double Pools and Consultation Doubles, and Pay-out Prices of Exactor, Quinella and Triactor). Subsection 143(1)(a) of the *Pari-Mutuel Betting Supervision Regulations* significantly expands the range of pari-mutuel betting options that can be offered in Canada by incorporating the rules applicable to all pools identified in subsection ARCI-004-105 of the Model Rules of Racing that the Association of Racing Commissioners International is adopting. While the repository of model rules is continuously updated, at the time of the evaluation, it was covering 30 types of pari-mutuel pools that can be offered to the general public.

The incorporation by reference of certain model rules of the Association of Racing Commissioners International was part of a fairly lengthy process of reviewing the regulatory framework on horse racing that the CPMA undertook in 2006, and that culminated with the adoption of a range of amendments that came into effect in 2012. One of the main objectives of the CPMA was to “provide greater process flexibility to pari-mutuel operators by creating a more expedient means for introducing new types of pari-mutuel bets.”³

While the process that led to the adoption of the incorporation by reference unfolded before the evaluation period, the actual benefits of these changes have been largely realized during the evaluation period. Industry stakeholders interviewed as part of this evaluation emphasized the significant benefits of this incorporation by reference process. Before this change, any regulatory amendment to include new betting pools would require several months, even a few years, to be accomplished. Now, the incorporation by reference can accommodate these changes promptly, as they follow the Association of Racing Commissioners International’s internal approval process.

³ Government of Canada, *Canada Gazette Part II, SOR/2011-164 to 169 and SI/2011-75*, 2011, p. 1632.

This is particularly efficient since CPMA representatives sit on committees of the Association of Racing Commissioners International that address pari-mutuel and drug control issues.

Canada is a leader in incorporating the model rules of the Association of Racing Commissioners International in its regulations. As noted by an international stakeholder during interviews conducted as part of this evaluation, “CPMA was visionary in being one of the first agencies to adopt model rules of the Association of Racing Commissioners International by reference. As a result, it created a strong incentive for the CPMA to be an important leader within the Association of Racing Commissioners International. There is a tremendous amount of respect for what the CPMA does by the jurisdictions in the United States.”

In addition, during the evaluation period, the CPMA successfully oversaw three amendments to the *Pari-Mutuel Betting Supervision Regulations*, which added new drugs to the Schedule included at the end of the Regulations.

Assistance to stakeholders

As part of its policy and regulatory development function, the CPMA provides ongoing assistance to industry stakeholders who may wish to obtain clarifications regarding the legislative or regulatory provisions that fall under the mandate of the CPMA.

To this end, the CPMA has a Policy Review Committee that oversees the publication of policies or positions (also known as notices) that provide the required clarifications to the horse racing industry and other stakeholders. When required, these policies or positions may lead to amendments to the regulatory framework.

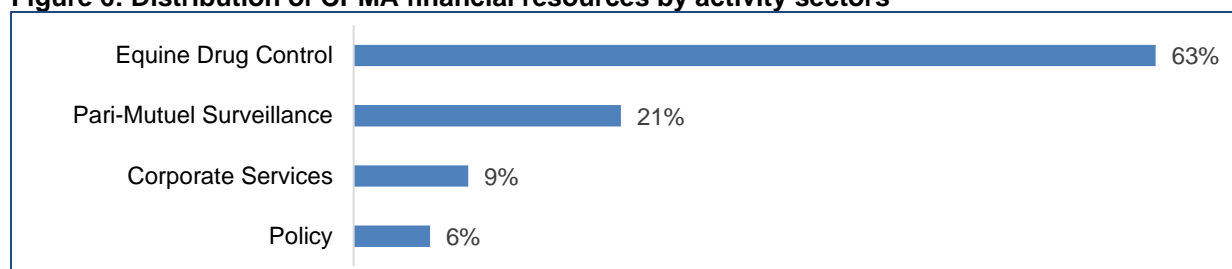
Finally, the CPMA responds to specific enquiries that industry stakeholders submit on an ongoing basis. During the evaluation period, the CPMA provided written responses to 16 such enquiries. The average timeframe to respond to these enquiries was 28 days, well within the 60-day timeframe that the CPMA has set as its service standard. The evaluation did not identify any concerns among industry representatives as to the ability of the CPMA to effectively respond to their enquiries, both in terms of content and timeframe.

5.3 Equine Drug Control Program

CPMA’s Equine Drug Control Program is highly regarded among Canadian and International stakeholders. It contributes significantly to ensuring that horse racing is conducted in a manner that is fair to the betting public.

The Equine Drug Control Program (EDCP) is a predominant activity of the CPMA. Although discretionary, it is widely known among industry stakeholders (Figure 3 on page 14), and it mobilizes a considerable portion of CPMA’s financial resources (Figure 6).

Figure 6: Distribution of CPMA financial resources by activity sectors



Drug testing

The CPMA has set a minimum threshold of \$500 live bet and ten days of racing for a race course to receive EDCP services. An average of one and a half or two blood or urine samples per pari-mutuel race are collected and shipped to a CPMA official laboratory for analysis. In a given year, between 30 and 40 race courses in Canada receive EDCP services. Table 6 demonstrates the number of samples collected in 2016, in relation to the number of live races hosted in Canada. In practical terms, and using 2016 as an example, it demonstrates that an average of 9 to 10 races were held during each day of racing in Canada, and 16 samples were collected during each of those racing days.

Table 6: Total of race days, races, and samples collected

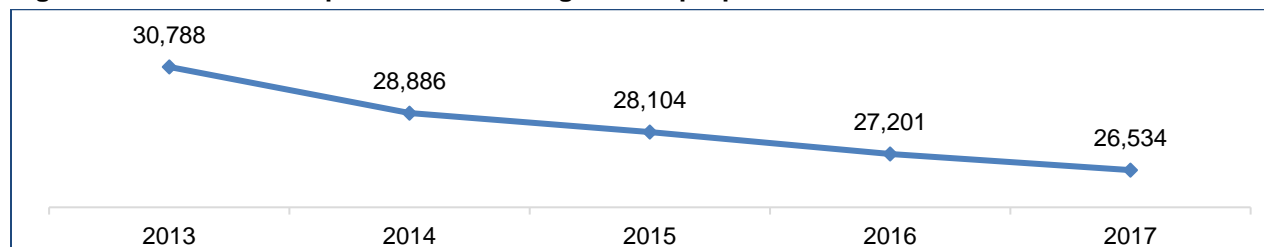
Type of activities	Total
Number of race days (2016)	1,663
Number of live races (2016-17)*	15,703
Number of samples tested (2016)	26,534

* The number of live races is reported on a fiscal year basis only.

Source: CPMA administrative data

Since the number of races conducted in Canada has declined during the evaluation period, the number of tests conducted has declined accordingly (Figure 7).

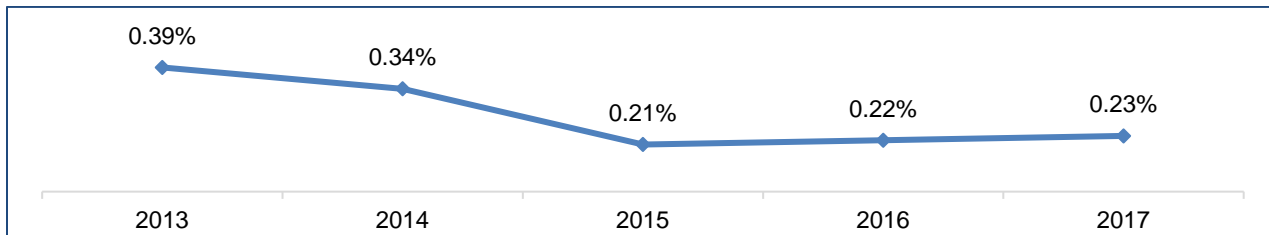
Figure 7: Number of samples tested for drug control purposes



Source: CPMA administrative data

To ensure the integrity and reliability of the results produced by the official laboratory, the CPMA implemented a number of quality assurance procedures, including scheduled and unscheduled visits to the laboratory. As of April 2017, the CPMA began analyzing approximately two percent of all official samples at its own Research and Reference Laboratory. CPMA official laboratories must be accredited by the Standards Council of Canada to International Organization for Standardization standard 17025 for testing and calibration laboratories, as well as meet additional requirements specified by the CPMA. The percentage of positive results remained less than 0.4 percent. International Organization for Standardization standard 17025 enables laboratories to demonstrate that they operate competently and generate valid results, thereby promoting confidence in their work both nationally and round the world. It also helps facilitate cooperation between laboratories and other bodies by generating wider acceptance of results between countries. Test reports and certificates can be accepted from one country to another without the need for further testing, which, in turn, improves international trade.

Figure 8: Percentage of samples resulting in a positive test



Source: CPMA administrative data

In assessing the meaning of these results, it is first important to emphasize that positive results may come from a deliberate use of an illegal performance-enhancing drug, but may also result from the inappropriate management of a perfectly legal drug that is used to address health issues, or support the overall health of horses. The purpose of the Elimination Guidelines that the CPMA publishes (and regularly updates) is to offer guidance on how to manage a wide range of pharmaceutical products that are approved for sale in Canada, to avoid a positive test result. For instance, while the CPMA recommends a period of 14 days for a horse to properly eliminate an anti-inflammatory drug such as firocoxib, the proposed elimination period for a local anesthetic drug such as bupivacaine is 24 hours. It is the responsibility of horse owners and trainers to properly administer these drugs. This is reflected in the survey results, as just under 90 percent of all survey respondents were familiar with the CPMA elimination guidelines, which is considered a critical tool for horse owners and trainers.

The evaluation provided further insights on what may drive fluctuations in positive results over time. For instance, when the CPMA announces that it will test a new drug, there is typically an increase in positive results that will come from this new testing, followed by a decrease once the industry becomes more familiar with the requirement. Another scenario, which arguably contributed to the higher results for 2013 and 2014 in

Figure 8, is the presence of ractopamine that was found to contaminate some horse feed sold in Canada. While this drug is permitted for use in some livestock species to promote weight gain, it is not permitted for racing horses. Many owners were likely unaware that the feed products they were using contained ractopamine. To resolve the issue, the CPMA worked closely with stakeholders, the Canadian Food Inspection Agency (the Canadian regulatory body responsible for enforcing the livestock *Feed Act and Regulations*), and feed mills.

The evaluation found that Canada has one of the strongest drug control programs for horse racing in the world. During interviews, international stakeholders pointed to Canada as a leader in drug control activities. For instance, it was noted that very few jurisdictions test for as many substances as does the CPMA.

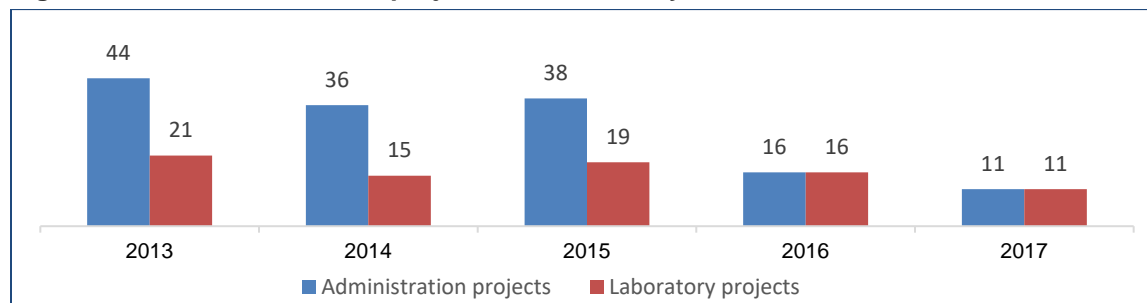
Research activities

To maintain the relevance of its drug control activities, the CPMA undertakes ongoing research projects, some of which involve horses located at the CPMA's Equine Drug Evaluation Centre. These research projects are grouped in two categories: administration projects, whereby products

are administered directly to research horses; and laboratory projects, where research is limited to equine blood and urine samples in the laboratory.

The number of administration projects, has decreased over the evaluation period (Figure 9). According to interview findings, this is largely due to the establishment, in 2016, of an Animal Care Committee which must review and approve all research projects involving horses. While the addition of the Animal Care Committee is considered a positive measure to help ensure the CPMA aligns with animal care protocols more broadly, it has meant, at least initially, that the CPMA has not undertaken as many projects as it traditionally undertook in the past.

Figure 9: Number of research projects undertaken by the CPMA



Source: CPMA administrative data

Some CPMA research projects involve international collaborations. For instance, in 2015, the CPMA undertook research concerning cobalt, a naturally occurring trace element that may affect the number of red blood cells and haemoglobin. As a result, when supplements containing cobalt are administered to horses, they may enhance the performance of horses. This research involved the Canadian Food Inspection Agency and the University of Kentucky, with the results being presented to the International Conference of Racing Analysts and Veterinarians. This project resulted in the addition of cobalt to the list of drugs contained in the *Pari-Mutuel Betting Supervision Regulations*, effective as of February 2017.

Outreach and knowledge transfer activities

As part of its Equine Drug Control Program, the CPMA has engaged in a number of outreach and knowledge sharing activities. In addition to collaborating on academic papers and presenting at conferences, the representatives from the Equine Drug Control Program have been involved in a number of national and international committees, including:

- Alcohol and Gaming Commission of Ontario, Equine Drugs Working Group (2017)
- Racing Medication and Testing Consortium – Scientific Advisory Committee (May 2016 to present)
- International Group of Specialist Racing Veterinarians (2016 to present)
- Association of Official Racing Chemists (2009 to present)
- Canadian Society of Forensic Science, Toxicology Section (2000 to 2014)

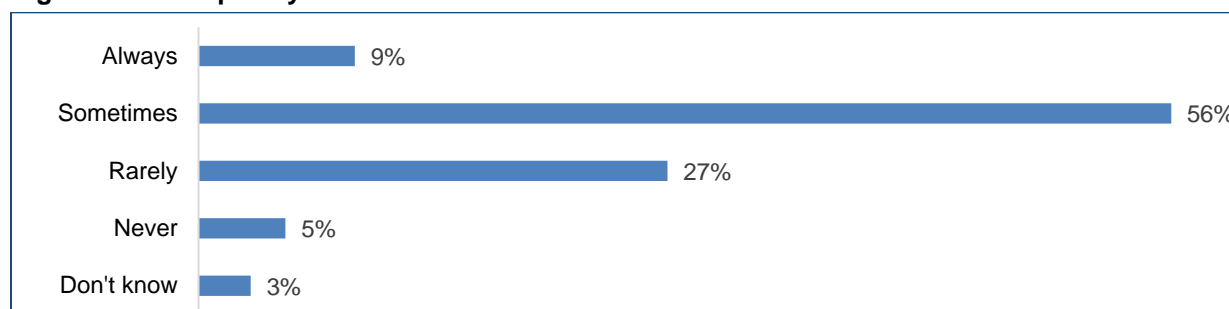
The range of outreach activities includes the distribution of notices to the industry about new requirements or findings concerning prohibited drugs or elimination guidelines, in addition to more informal discussions and presentations to industry and other stakeholders. Findings from interviews conducted with industry representatives indicate that, while the CPMA does communicate relevant issues on drug control, it is often done at a level best suited for scientists, and not the general population involved in horse racing. Using simpler language, and other means to explain the findings (for instance, meetings or conference calls), could facilitate the transfer of information and knowledge.

Perceptions on drug use and drug control

Considering that financial gains are entirely linked to performance results achieved in a highly competitive environment, it is reasonable to assume that some level of suspicion will always exist about the use of performance-enhancing drugs in horse racing. In that regard, horse racing is no different than other professional sports where significant financial gains are at stake. For instance, a large public opinion poll conducted in 2014 in the United States indicated that 72 percent of the public agree that “the use of performance enhancing drugs will always be a part of professional sports”.⁴

Survey results gathered as part of this evaluation confirm that some level of uncertainty remains among those involved in the horse racing industry. As illustrated in Figure 10, while just under two thirds of respondents believe that violations are sometimes or always deterred, just under a third were of the opinion that these violations are rarely or never deterred.

Figure 10: Survey question: Based on your experience, are violations of equine drug control regulations adequately deterred?



Source: Evaluation survey, n=223

The majority of industry stakeholders and international partners perceive the Equine Drug Control Program as being effective, acting as a strong deterrent to using performance-enhancing drugs. It contributes to maintaining a significant level of confidence towards horse racing conducted in Canada. As one stakeholder put it, the Equine Drug Control Program provides the betting public with the assurance that the races are “as fair as possible.” The evaluation indicates that horse racing has among the highest percentage of tests conducted and the smallest percentage of positive results when compared to other professional sports. Having some stakeholders believe that violations to drug control regulations are not adequately deterred is not indicative of a larger issue concerning the integrity of horse racing in Canada.

⁴ The Foundation for Global Sports, *Doping Survey Reveals Public Opinion*, 2014
<http://globalsportsdevelopment.org/2014/01/28/doping-survey-reveals-public-opinion/>.

5.4 Effectiveness and Efficiency

CPMA has operated within the financial framework established through the levy system, and has implemented a number of measures that enhance the efficiency of its programs and activities.

During the evaluation period, the CPMA implemented a number of measures that are expected to enhance the effectiveness and efficiency of its program and activities. A significant driver behind these initiatives is that funding for the CPMA is limited to the 0.8 percent levy collected on bets placed in Canada (on horse races held in Canada or in other jurisdictions).⁵ These efficiencies enable the CPMA to maintain its programs and services, with a relatively flat budget that has averaged \$10.2-million yearly during the evaluation period.

The following measures illustrate the range of initiatives that the CPMA implemented during the evaluation period:

- *Incorporation by reference:* The incorporation by reference has significantly enhanced the ability of the CPMA to accommodate the demands from the horse racing industry to offer new pari-mutuel betting options to the public. This builds on the work already accomplished at the international level by the Association of Racing Commissioners International, which includes the contribution of CPMA representatives. Having the incorporation by reference process eliminates considerable time and resources that would otherwise be required to drive regulatory changes.
- *Risk-based monitoring of activities:* The decision of the CPMA to proceed with a risk-based model for monitoring race course and betting theatre activities has directly contributed to the reduction in the overall number of Full-Time Equivalents assigned to the CPMA. This model relies primarily on remote monitoring and post-race audits, with only periodic on-site inspections. Whereas the CPMA's total number of Full-Time Equivalents stood at 42 in 2012-13, it decreased to 32 by the end of 2016-17.
- *Enhance capacity to test drugs:* The CPMA has implemented technology upgrades that can accommodate an increase in the number of substances tested, to detect smaller concentrations of prohibited substances, and to conduct more tests at its own laboratory. While these upgrades increase the cost per sample tested, it enhances the capacity of the CPMA to protect the betting public.
- *New technological systems:* The CPMA has initiated the implementation of new technological systems that are expected to improve the delivery of key activities.
 - *Stakeholder and Association Management System:* This system supports interactions between the CPMA and industry, such as licence applications. It will maintain tombstone information that will automatically be populated into future applications. It will enable the CPMA to better anticipate when licences are coming up for renewal to plan for capacity to review applications, record details of audits and inspections, and house information about complaints or incidents.
 - *Audit, Inspection, and Betting Analysis System:* This system collects betting information from tote systems in real time, which is then used to generate levy invoices, generate

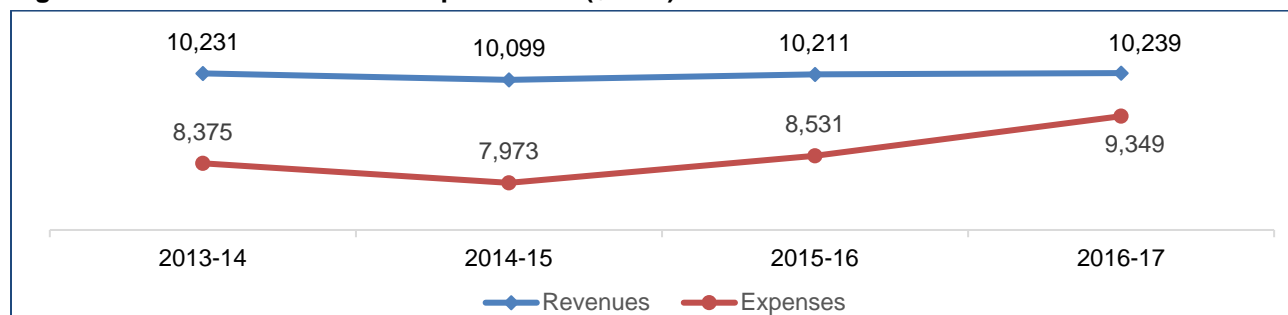
⁵ Technically speaking, less than one percent CPMA's revenues come from sources other than the levy on bets.

alerts that will help determine audit needs, create statistical reports, and, more broadly, provide a basis for betting analysis.

- *Equine Drug Control System*: This system tracks data related to research and positive tests.

These initiatives, combined with the other collaboration opportunities described in this evaluation, have enabled the CPMA to maintain its level of expenditure below its total revenues, while improving the range of activities and services it offers (Figure 11).

Figure 11: CPMA revenues and expenditures (\$ '000)



Source: CPMA financial data

5.5 Government of Canada Policy Considerations

The CPMA has yet to explore GBA+ considerations in the ongoing management of its activities.

In accordance with the *Directive on Results*, where relevant, program managers need to include Gender Based Analysis Plus (GBA+) considerations as part of their performance measurement strategy, and evaluations must take into account GBA+.

GBA+ is an analytical tool, process, or product used to assess the potential impacts of the policies, programs, services, and other initiatives on diverse groups taking into account identity factors beyond gender including the examination of a range of other intersecting identity factors (such as sex, age, sexual orientation, disability, race, ethnicity, religion, education, language, geography culture, and income).

While GBA+ considerations may not apply to some of the CPMA's activities, such as drug testing or tote system monitoring, they may to apply to other activities that aim at a broader audience, such as horse owners, racers, or the general betting public. On that basis, the CPMA's communication strategy should consider relevant identity factors.

6.0 CONCLUSIONS AND RECOMMENDATIONS

6.1 CPMA Relevance

While the horse racing industry has experienced some decline, it remains a significant component of the entertainment industry in Canada. Every year, Canadians place over \$1-billion in wagers on horse races being hosted in Canada or in other countries. These betting activities are subject to strict rules established in the *Criminal Code* and its associated regulations. It is the responsibility of the Minister of Agriculture and Agri-Food to support the proper enforcement of these rules, which is achieved through the activities undertaken by the CPMA, in alignment with AAFC's current programming priorities, and in collaboration with provincial authorities.

The shifting environment in which horse racing operates, in Canada and around the world, forces all key stakeholders to explore new approaches and strategies to maintain the relevance of the industry and the ongoing participation of the betting public. Through its activities, the CPMA directly contributes to the integrity and sustainability of the industry. In doing so, the primary focus of the CPMA remains the protection of the betting public engaged in pari-mutuel betting in Canada, while acknowledging that its decisions have an impact on the ability of the industry to evolve and respond to new demands. The evaluation indicates that not all demands of the industry can, or should, be accommodated by the CPMA, as long as it operates within the current legislative and regulatory framework. The extent to which this framework should be modified is an issue that extends beyond the mandate of the CPMA.

Both the provinces and the CPMA play complementary roles in overseeing horse racing activities in Canada, and the evaluation has found no instance of duplication between the two levels of governments. There is, however, an ongoing need to ensure that industry stakeholders and the general public have an adequate understanding of the division of roles and responsibilities.

6.2 CPMA Performance

The CPMA has issued all appropriate permits, licences, and authorizations requested by race courses and betting theatres operating in Canada, and proceeded with the required inspections and testing of tote systems. During the evaluation period, the CPMA has implemented a risk-based monitoring model that relies predominantly on remote monitoring activities. While this new system has led to efficiencies, it has also led to some uncertainties among industry stakeholders as to the extent of monitoring activities undertaken by the CPMA. The incidents identified during this monitoring did not involve serious violations of the *Criminal Code* or the associated regulations, and they were promptly resolved.

In the policy development area, the CPMA has implemented a number of regulatory amendments that respond to emerging needs and developments in horse racing. In particular, the CPMA has successfully implemented an incorporation by reference model, which greatly expands the range of pari-mutuel products that can be offered to the Canadian betting public. The CPMA has provided ongoing assistance to industry in ensuring an adequate understanding of rules and regulations that are in force.

The CPMA operates a rigorous Equine Drug Control Program that directly contributes to the integrity of betting activities occurring during horse races held in Canada. The range of drugs tested, and the quality assurance procedures in place, contribute to the success of the Program, which is highly regarded both in Canada and in other countries and jurisdictions. Testing is conducted on pari-mutuel races where EDCP services are offered, which represented over 26,000 tests conducted in 2016. The percentage of positive results remained less than 0.4 percent.

The CPMA continues to actively participate in research activities to ensure that its testing can adapt to the emerging drugs being used in the industry. It engaged in outreach and knowledge transfer activities with industry stakeholders in Canada and in other countries and jurisdictions. The evaluation has identified a need for the CPMA to ensure that its communications to industry stakeholders, particularly horse owners and trainers, are written in a plain language format, particularly for those who do not have formal scientific training or education.

The evaluation found that industry stakeholders are confident that horse racing is being conducted in Canada in a manner that is fair to those who engage in horse racing and to the betting public. However, to ensure that no barrier may prevent some Canadians from accessing and benefiting from its activities, the CPMA would benefit from conducting GBA+ analysis.

The CPMA has undertaken a range of initiatives that support an efficient delivery of its programs and activities. This includes a range of new technologies that are expected to improve its ongoing interactions with the industry, its monitoring activities, and its drug control activities. This provides a unique opportunity to ensure that proper performance measurement data is collected to support the ongoing management of activities and future evaluations.

Recommendation 1: The CPMA should develop a plain language communication strategy that considers diversity and inclusiveness components to better support its interactions with industry stakeholders, including communication activities to support a broad awareness and understanding of the remote activities undertaken as part of its risk-based monitoring model.

Recommendation 2: The CPMA should refine its performance measurement strategy to align it with the opportunities provided through the implementation of its new technological systems.

Management has agreed to develop an inclusive plain language communications strategy and refine its performance measurement strategy, both of which will be completed by August 31, 2019.

ANNEX A: EVALUATION METHODOLOGY

The evaluation of the CPMA was conducted in accordance with the Treasury Board's *Policy on Results* and *Directive on Results*. It aligns with the objectives set out by AAFC in its 2018-19 to 2022-23 Integrated Audit and Evaluation Plan. The evaluation assessed the relevance, performance, efficiency, and effectiveness of the CPMA. The scope of this evaluation includes all of the activities of the CPMA undertaken over a five-year period, from April 1, 2013 to March 31, 2018.

Sources of evidence were as follows:

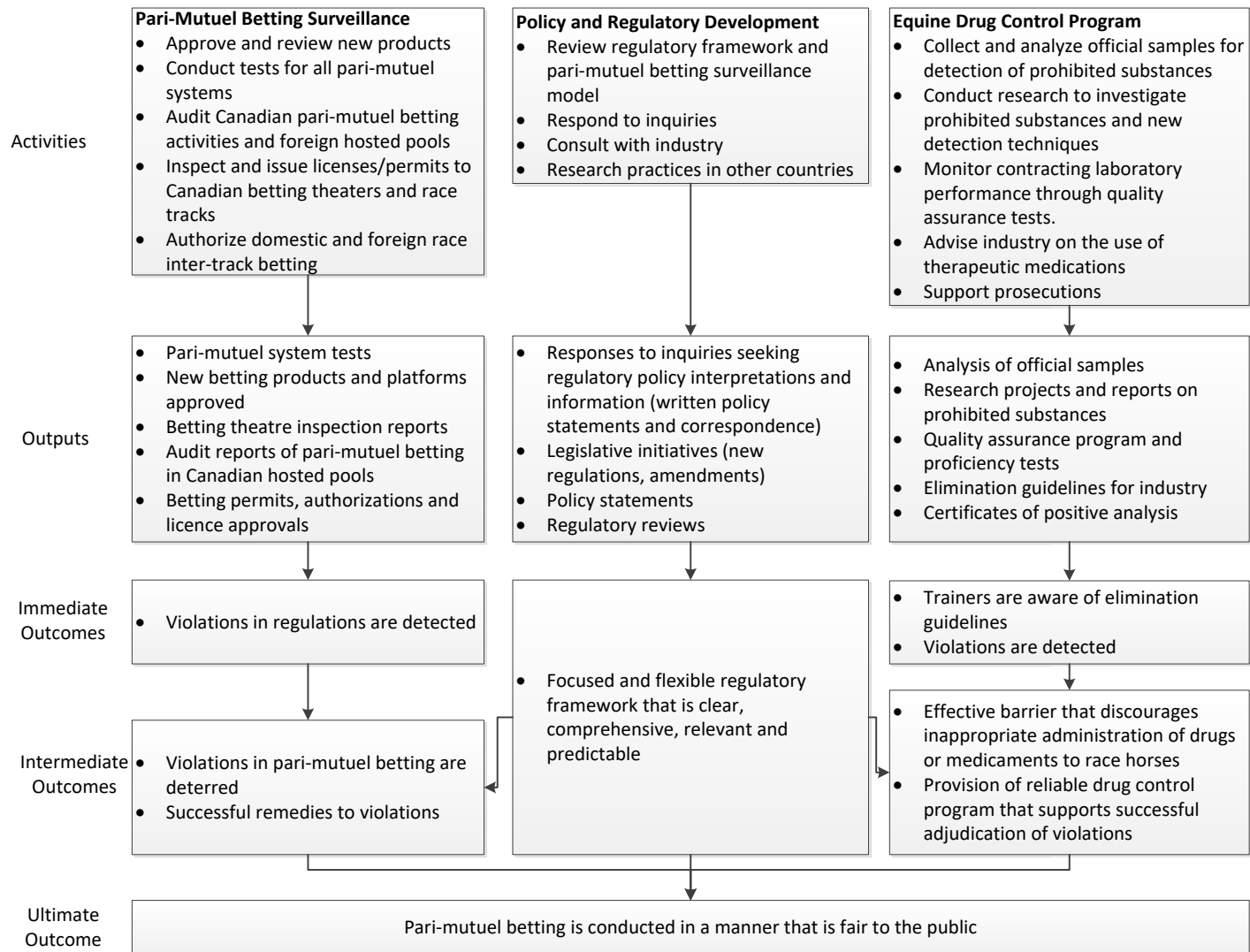
- **Document, Data, and Literature Review:** The evaluation collected and reviewed program documents and data, including the performance measurement and evaluation framework, the Performance Information Profile, business plans, relevant legislation, and the Terms of Reference. The literature review focussed on other pari-mutuel industries in Australia, the United Kingdom, and the state of Florida. While the document and data review contributed to all parts of the evaluation, the literature review contributed to those dealing with relevance, efficiency, and effectiveness.
- **Stakeholder Interviews:** The evaluation conducted 35 interviews with internal and external stakeholders including CPMA representatives (n=7), provincial racing commissions (n=7), race tracks (n=9), other external stakeholders (n=6), and international partners (n=6). These interviews contributed to all parts of the evaluation. As per the Treasury Board *Directive on Results*, the evaluation aimed to include a GBA+ analysis and incorporated interview questions exploring identity dimensions that may be relevant in context of the CPMA.
- **Survey:** A survey was administered using an open link that was made available through multiple channels. The link was posted on the Thoroughblog (housed on the Horse Canada website) to reach those involved in Thoroughbred racing; in the "News" section and in a banner ad on the Standardbred Canada website; and promoted using the consultant's Facebook, Twitter, and LinkedIn accounts. The survey was originally posted on June 12, 2018 and closed on July 17, 2018. The completion rate was approximately 19 percent (based on 223 completed surveys out of 1,160 times the survey was accessed). The survey addressed questions related to the roles, strengths, and weaknesses of the CPMA; and the importance and performance of the Equine Drug Control Program.
- **Site Visits:** Site visits were conducted at the Rideau Carleton Raceway (Ottawa), the CPMA Laboratory (Ottawa), Woodbine Racetrack (Toronto), and the CPMA Equine Drug Evaluation Centre (Jerseyville).

Methodological limitations

Methodological limitations were taken into account in interpreting the data:

Limitation	Impact on Evaluation	Mitigation Strategy
Substantial changes to the organization of the CPMA, and the context in which it operates occurred during the evaluation period	Challenges may have been identified in documents reviewed for the evaluation but which had been addressed by the program during the evaluation period.	This was taken into consideration in analyzing available documents, as well as in conducting and analyzing interviews.
Due to ongoing system maintenance and upgrades, limited administrative data was available	Not all effectiveness indicators are reported on.	Other lines of evidence provided complementary support for discussions on effectiveness.
The horse racing industry varies widely from province to province	Interviewees may have a differing perspective based on their regional context. Different stakeholder groups may interact differently with the CPMA.	As applicable, the interviewee's region is identified to place their comments in context. Moreover, the group to which a stakeholder belongs is identified where views differ between groups.
Difficulty in reaching horsepersons to participate in the survey	As there was no centralized list of stakeholders, reaching out to horsepersons proved more time and resource consuming than anticipated.	The evaluation team reached out through popular horse racing websites, social media, and a blog in an effort to reach as widely as possible. An advertisement for the survey was posted on the website, and promoted the survey through social media, employing industry hashtags and tagging key groups.
Use of an open-link survey	The key limitation is the underlying anonymity of respondents. Individuals could access and complete the survey more than once, which could have contributed to the 837 times that the survey was accessed without any answers being provided.	The likelihood of an individual completing the survey multiple times is limited, and is accepted among survey researchers.

ANNEX B: CPMA PROGRAM LOGIC MODEL⁶



⁶ Agriculture and Agri-Food Canada, *Performance Measurement and Evaluation Strategy for the Canadian Pari-Mutuel Agency*, 2013, p. 9.