



PSIRA
Private Security Industry Regulatory Authority

Annual Report 2018 | 2019



Presentation by:
MR MANABELA CHAUKE

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OVERVIEW

- 1. OVERVIEW OF THE INDUSTRY**
- 2. OPERATIONAL OVERVIEW AND KEY HIGHLIGHTS**
- 3. PERFORMANCE INFORMATION REPORT**
- 4. GOVERNANCE REPORT**
- 5. HUMAN CAPITAL MANAGEMENT**
- 6. FINANCIAL INFORMATION**
- 7. COMMITMENTS TO IMPROVE INTERNAL CONTROLS**

DELEGATION

COUNCIL MEMBERS:

- Mr. Nhlanhla Ngubane: Acting Chairperson

MANAGEMENT TEAM

- Mr Manabela(Sam) Chauke : Director (CEO)
- Ms Adv Linda Mbana : Deputy Director: Law Enforcement
- Ms. Mmatlou Sebogodi : Deputy Director: Finance and Admin
- Mr Oupa Mamabolo : Acting Deputy Director: Communications



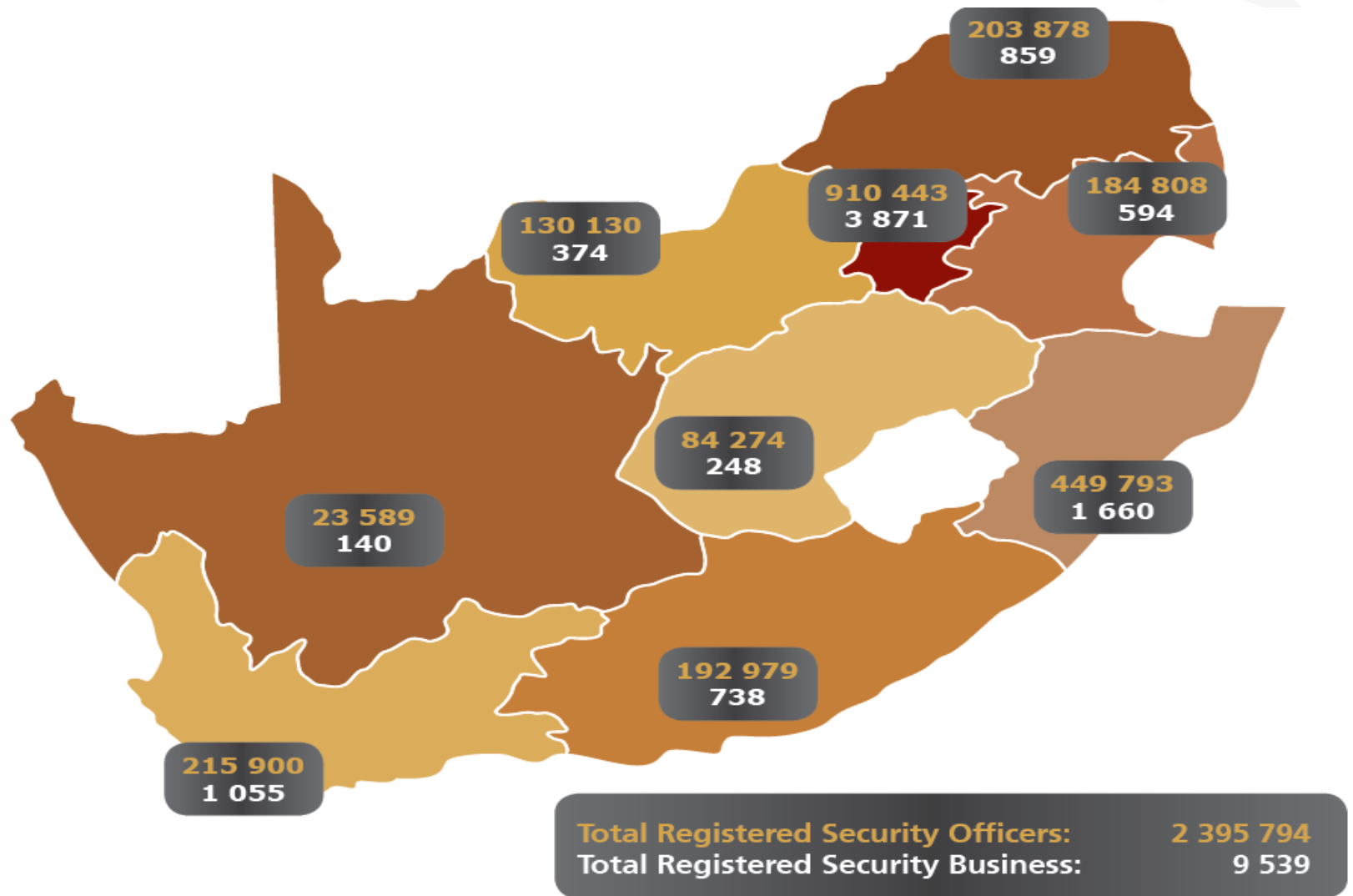
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OVERVIEW OF THE INDUSTRY

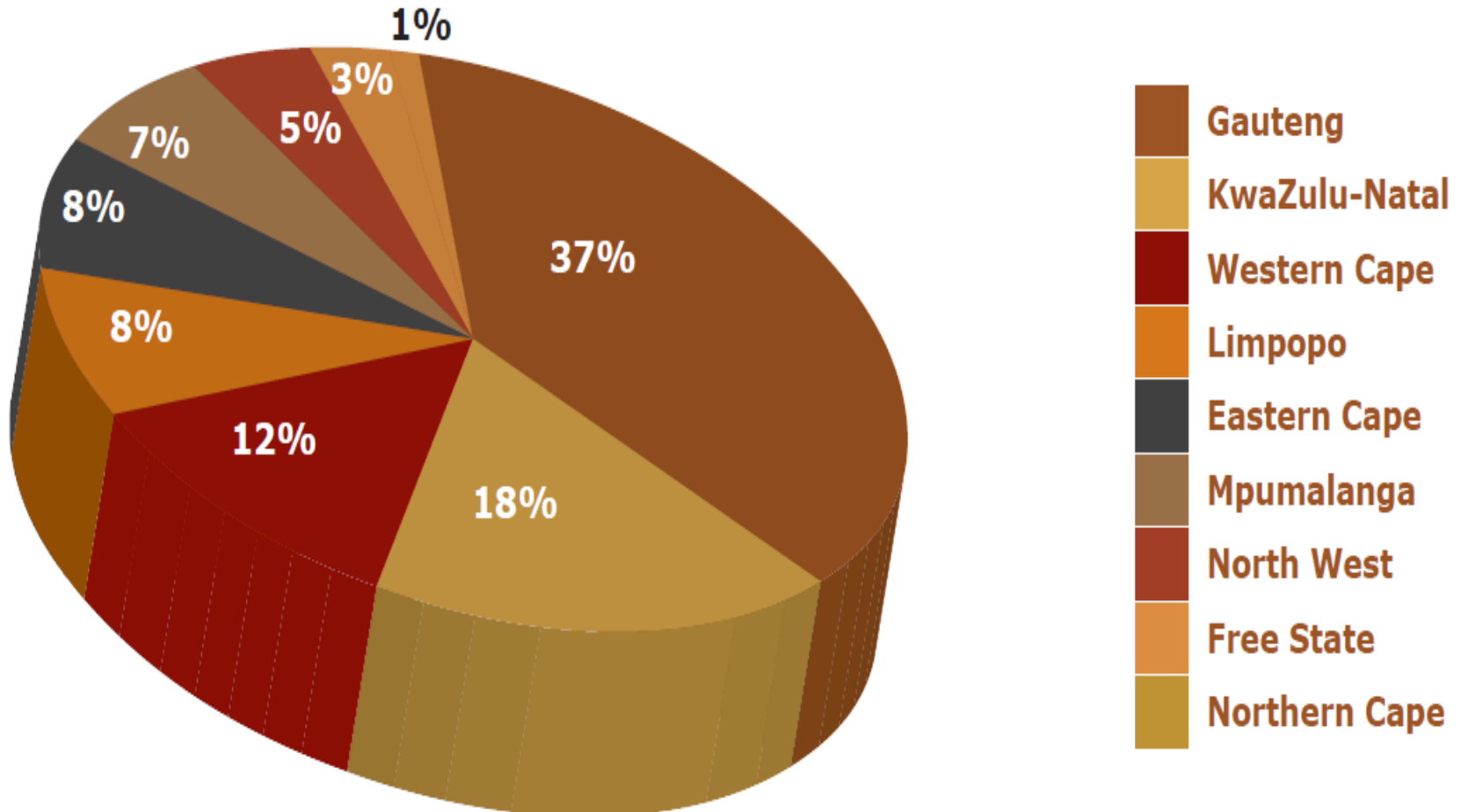
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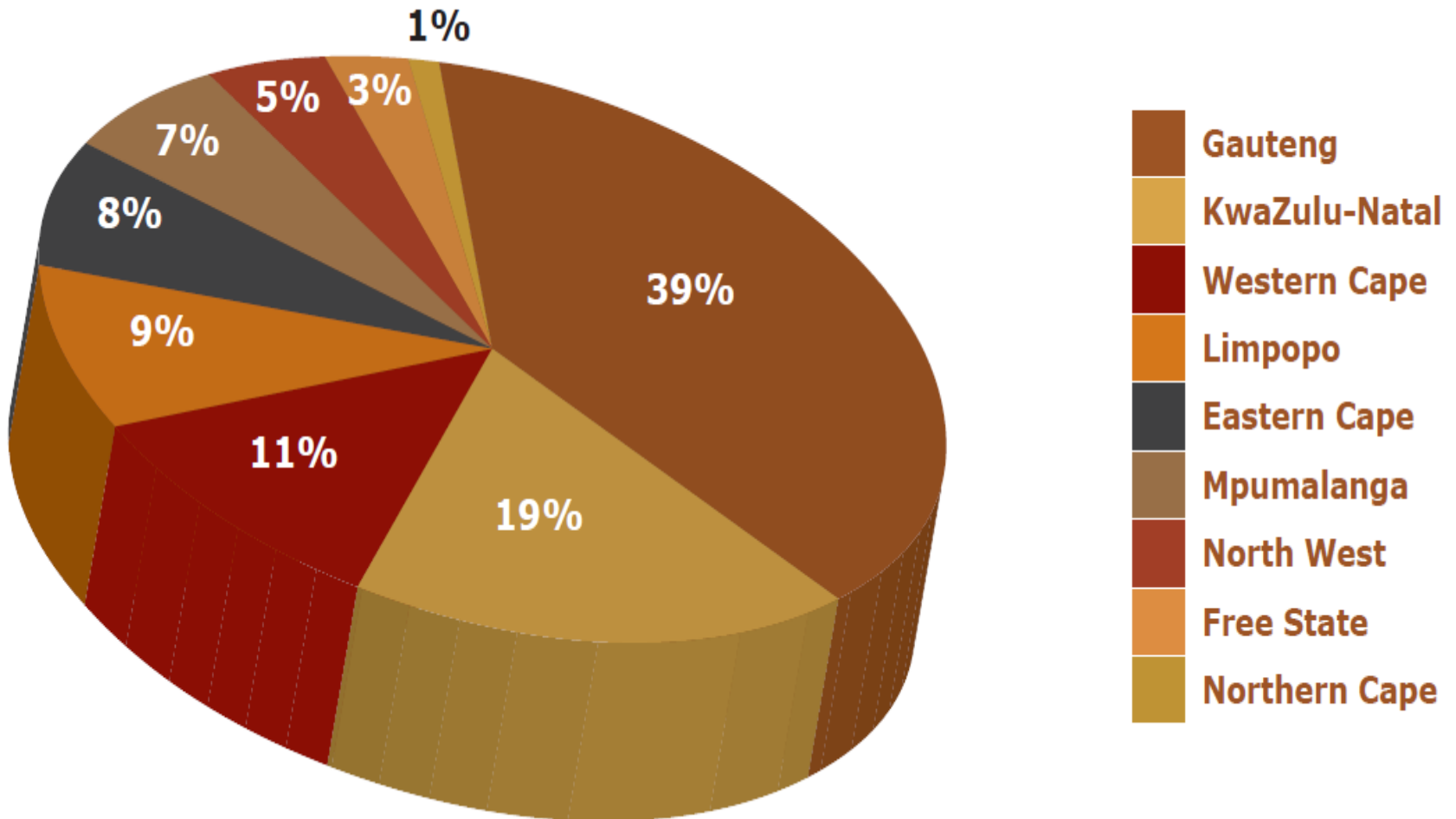
GEOGRAPHIC SPREAD



ACTIVE SECURITY OFFICERS



ACTIVE SECURITY BUSINESSES








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PERFORMANCE INFORMATION REPORT (APP) AND KEY HIGHLIGHTS










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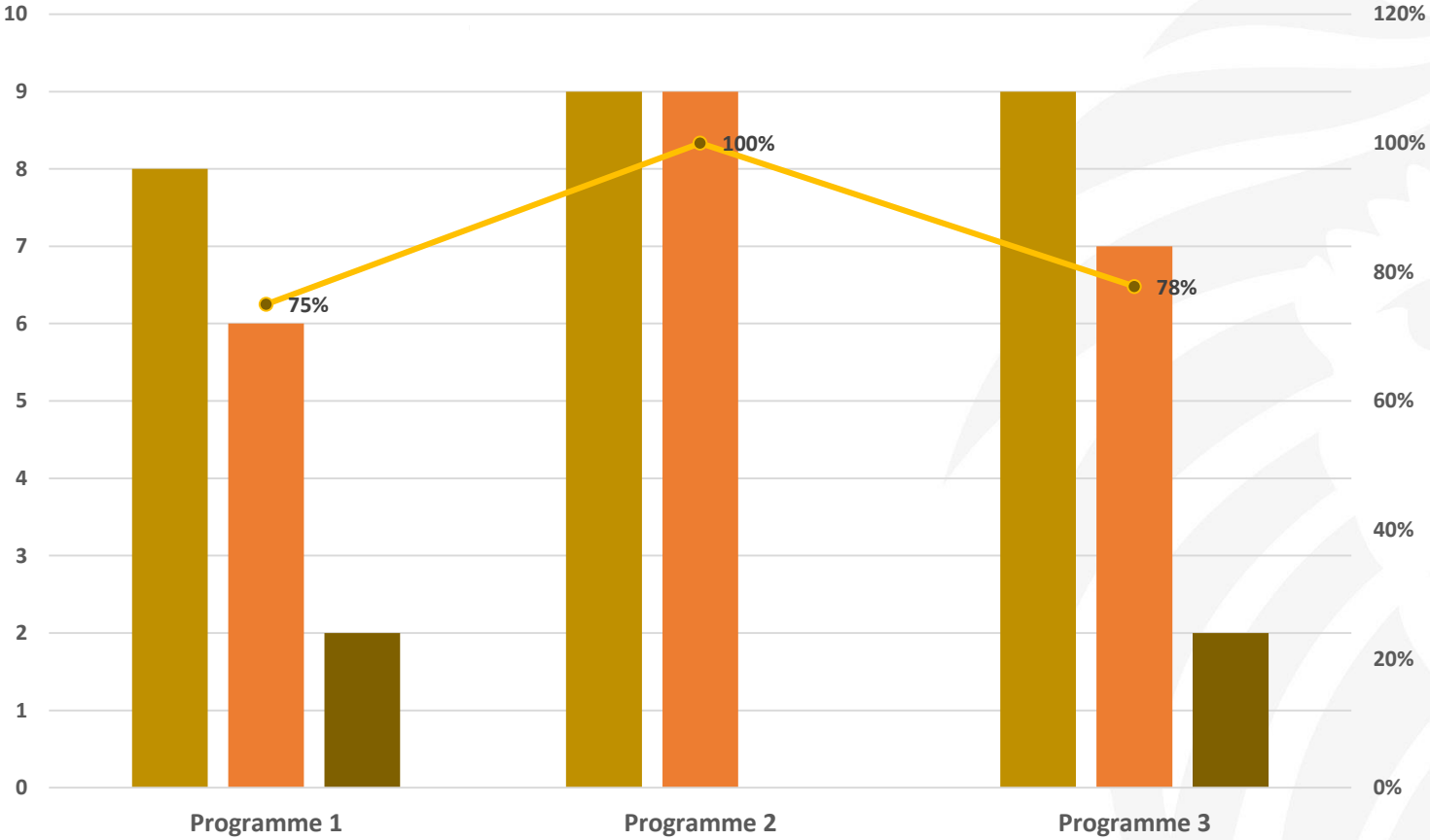
OPERATIONAL OVERVIEW & KEY HIGHLIGHTS

Areas of improvement	Outcomes
1. Achievement against strategic objectives	 Clean Audit Opinion
	 85% of the planned targets achieved
	 37 569 Security officer inspections and 6 253 Security business conducted
	 377 arrests out of 53 operations
	 1 498 Firearms inspections conducted
	 1 458 Improper Conduct prosecutions finalised
	 R32 415 698 in fines imposed for Improper Conduct convictions, turnover time for entire prosecution process average of 52 days

OPERATIONAL OVERVIEW & KEY HIGHLIGHTS (...Cont'd)

Areas of improvement	Outcomes
1. Achievement against strategic objectives	 107 105 Security officers were registered.
	 1 616 Security businesses were registered.
	 440 781 Training course reports captured.
	 283 467 Renewal certificates for security officers and 5 077 for security businesses have been issued.
	 5,45% increase in the number of females registered and 2,48% increase in females employed in the industry.
	 160 Public awareness campaigns.
	 Launch of new Bloemfontein and Mbombela offices.

PERFORMANCE INFORMATION PER PROGRAMME



85 % of the planned targets achieved



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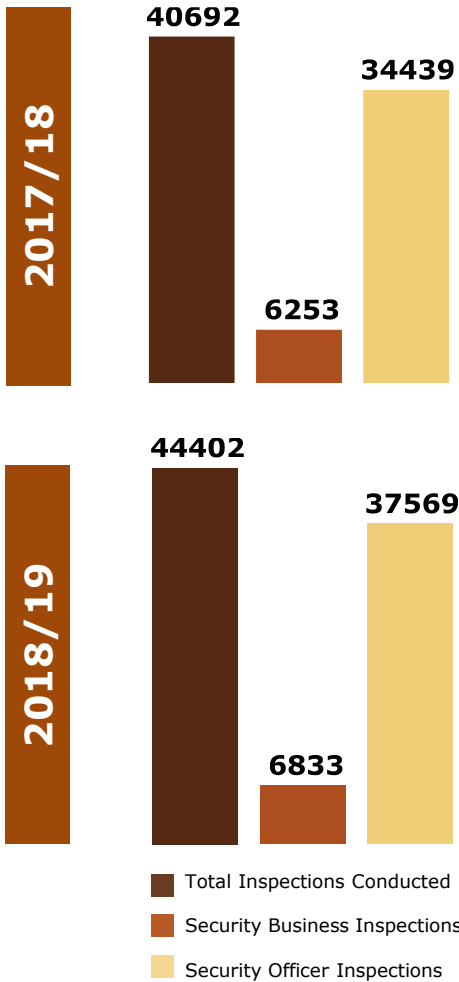
**LAW
ENFORCEMENT
HIGHLIGHTS**

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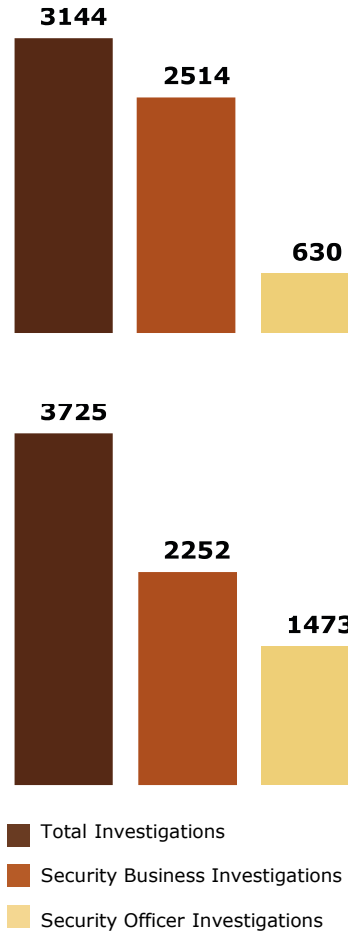
Inspections Conducted



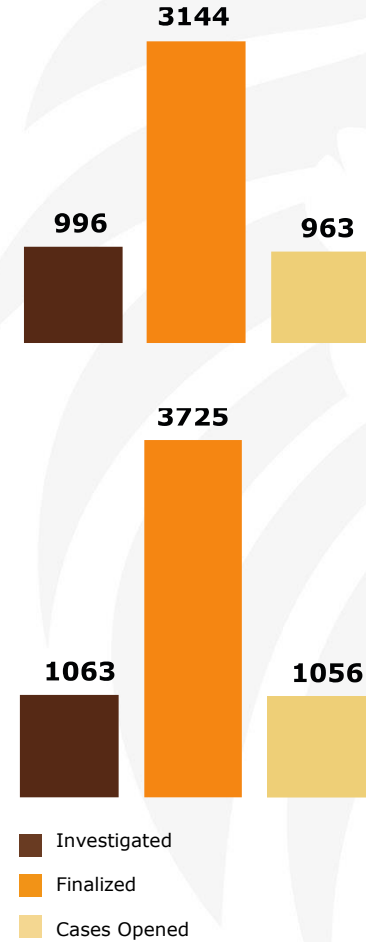
COMPLIANCE INSPECTIONS



ENFORCEMENT INVESTIGATIONS

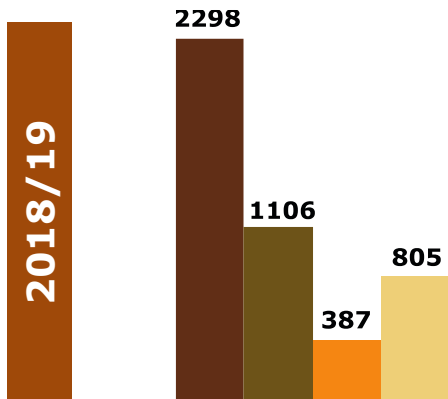
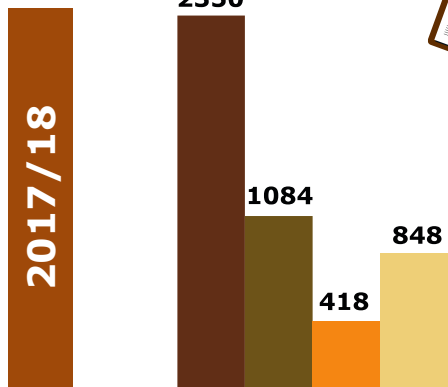


CRIMINAL INVESTIGATIONS/CASES



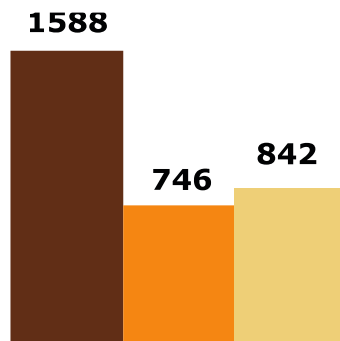
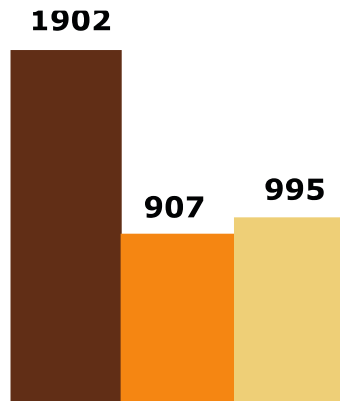
Dockets, Firearms Enquiries and Prosecutions

DOCKETS ACCORDING TO SECURITY BUSINESS SIZE



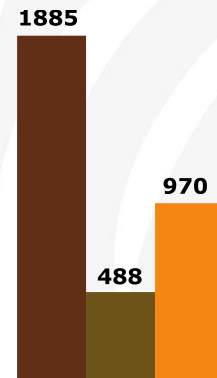
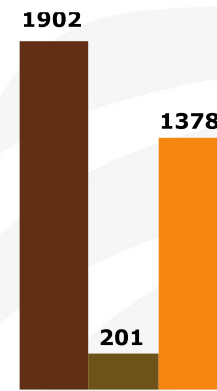
- Total Improper Conduct Dockets
- Small Businesses
- Medium Businesses
- Large Businesses

FIREARM ENQUIRIES PROCESSED



- Application received from CFR
- Application not recommended
- Application recommended

IMPROPER CONDUCT PROSECUTIONS



- Regulation 3(4) Notices Issued
- Cases Finalized (COC Enquiry)
- Cases Finalized (Settlements)



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REGISTRATION HIGHLIGHTS

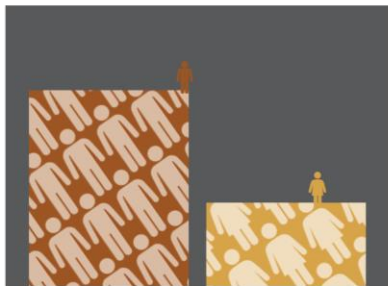


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TRENDS IN NUMBER OF SECURITY OFFICERS (SO's)

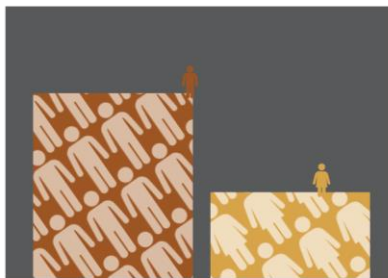
Total number of Security Officers registered (Females + 5,45%)

2016 /17



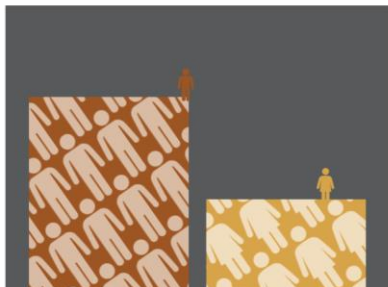
■ 2 365 782
■ 1 654 671
■ 711 111

2017 /18



■ 2 288 689
■ 1 560 097
■ 728 592

2018 /19



■ 2 395 794
■ 1 627 486
■ 768 308

Increase in number of registered employed Security Officers (Females + 2,48%)



■ 498 435
■ 390 201
■ 108 237



■ 522 542
■ 407 561
■ 114 981



■ 534 289
■ 416 452
■ 117 837



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INDUSTRY TRAINING HIGHLIGHTS



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INDUSTRY TRAINING HIGHLIGHTS

- Moratorium on accreditation uplifted.
- **122** New training providers accredited following on from upliftment of moratorium.
- Total of **480** accredited training providers nationally.
- A total of **440 781** course reports processed compared to **428 843** for the previous financial year.

Course Reports	2016/2017 Number of course reports	2017/2018 Number of course reports	2018/2019 Number of course reports
Course reports on hand end March	4 779	1 677	4 141
Course reports received during April to March	416 734	431 648	444 244
Course reports processed during April to March	418 307	428 843	440 781
Course reports returned during April to March	1 529	341	611
Course reports carried over to April	1 677	4 141	6 993



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RESEARCH HIGHLIGHTS



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GOVERNANCE

❖ Research Papers Completed

- Labour broking / independent contractors / co-operatives
- Car guarding
- Use of security equipment
- Private security in schools – Gauteng
- Private security at Institutions of Higher Learning

❖ 4 Consumer surveys conducted



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GOVERNANCE REPORT

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GOVERNANCE

- Existence of Council and its Sub-Committees that provide guidance and support to **assurance providers** to assist in enhancing internal controls.
- Existence of **combined assurance model** that supports Audit and Risk Committee and Internal Audit.
- Operational Risk Management Committee chaired by an external Chairperson to ensure independence, and adequate guidance and increased the **capacity to identify and monitor risks** to the Authority's acceptable risk appetite and tolerance matrix.

STAFF COMPOSITION ACCORDING TO PROGRAMME

PROGRAMME	2017/2018 NO. OF EMPLOYEES	2018/2019 APPROVED POSTS	2018/2019 NO. OF EMPLOYEES	2018/2019 VACANCIES	% OF VACANCIES
Law Enforcement	153	170	168	2	1%
Finance & Admin	88	98	98	0	0%
Communications & Training	36	40	39	1	3%
Total	277	308	305	3	1%



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FINANCIAL HIGHLIGHTS

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2018/19 AUDIT OPINION

- **UNQUALIFIED AUDIT OPINION: CLEAN AUDIT**

EMPHASIS OF MATTER

1. Material Impairments : Revenue Management

- ✓ Provision of impairments to the amount of R38 770 242 (2018: R55 768 534) was raised on trade debtors.

Action plan to address findings

- ✓ Review the funding Model by implementing the Levies Act
- ✓ Develop the Going Concern Turnaround Strategy to enable the Authority to build reserve.
- ✓ Utilise Debt Collectors to assist with collecting money due to the Authority.

2018/19 AUDIT OPINION

EMPHASIS OF MATTERS (continued)




2. Significant uncertainties

- ✓ The entity is the defendant in a number of legal actions. Some of these cases referred to are yet to be brought before the court.

Action plan to address findings

- ✓ Legal department is finalizing most of these cases and as at the reporting date, PSiRA did not incur any losses.

KEY FINANCIAL HIGHLIGHTS

 Total Revenue	2019	2018	 Increase/ Decrease
Total Expenditure	286 168 075	240 893 230	45 274 845
Surplus/ Deficit	3 286 566	-12 543 463	15 830 029
Cash and Cash Equivalents	15 374 454	6 719 226	8 655 228
Total Assets	69 772 057	52 098 717	17 673 340
Provisions for Bad debts	38 770 242	55 768 534	16 998 292
Total Equity	7 162 768	3 876 203	3 286 565 

FINANCIAL STATEMENT FOR THE YEAR ENDED 31 MARCH 2019

STATEMENT OF FINANCIAL POSITION

Figures in Rands	2018/19 R'000	2017/18 R'000
Current Assets	41 501	29 120
Non-Current Assets	28 271	22 979
Total Assets	69 772	52 099
Current Liabilities	57 336	42 984
Non-Current Liabilities	7 273	5 074
Retained Surplus	7 163	4 041
Total Equity and Liabilities	69 772	52 099

FINANCIAL STATEMENT FOR THE YEAR ENDED 31 MARCH 2019

STATEMENT OF FINANCIAL PERFORMANCE

Figures in Rands	2018/19 R'000	2017/18 R'000
Revenue		
Annual Fees	138 859	128 755
Registration Fees	34 877	34 857
Training Revenue	43 705	38 136
Sale of Goods	25 570	18 991
Fines and Penalties	32 416	14 888
Other Revenue	10 741	5 266
Total Revenue	286 168	240 893
Expenditure		
Employee Costs	156 876	132 864
Property Rental	27 769	21 952
Bad Debts	24 132	25 789
Depreciation	3 944	3 642
Other Operating Costs	70 160	69 190
Total Expenditure	282 881	253 437
Surplus/ (Deficit) for the year	3 287	(12 544)

FINANCIAL STATEMENT FOR THE YEAR ENDED 31 MARCH 2019

STATEMENT OF CASH FLOW

Figures in Rands	2018/19 R'000	2017/18 R'000
Cash flows from operating activities		
Receipts		
Cash Receipts from regulatory activities	248 413	203 385
Interest received	2 209	2 199
Cash generated from operations	205 584	205 584
Payments		
Employee costs	(153 786)	(136 191)
Suppliers	(78 684)	(88 095)
Interest paid	(1)	(13)
Cash utilised in operations	(232 472)	(224 299)
Net cash flows from operating activities	18 150	(18 715)
Cash flows from investing activities		
Purchase of Property, plant and equipment	(7 830)	(3 389)
Proceeds from sale of property, plant and equipment	-	-
Purchase of Intangible assets	(1 665)	-
Net cash flows from investing activities	(9 495)	(3 389)
Decrease in cash and cash equivalents	8 655	(22 104)
Cash and cash equivalents at the beginning of the year	6 719	28 823
Cash and cash equivalents at the end of the year	15 374	6 719

COMMITMENT TO IMPROVE INTERNAL CONTROLS





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THANK YOU



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