



23 April 2021

SCHEDULE 3 NATIONAL PUBLIC ENTITY

2021/22 BUDGET AND ANNUAL PERFORMANCE PLAN (APP) ANALYSIS OF THE PRIVATE SECURITY INDUSTRY REGULATORY AUTHORITY (PSIRA)

TABLE OF CONTENTS

| | |
|---|-----------|
| 1. INTRODUCTION..... | 2 |
| 2. IMPACT OF COVID-19..... | 2 |
| 3. POLICY AND LEGISLATIVE MANDATE | 2 |
| 3.1. Constitutional mandate | 2 |
| 3.2. Legislative and policy mandates | 3 |
| 4. STRATEGIC FIVE-YEAR PRIORITIES..... | 3 |
| 5. OVERALL BUDGET ALLOCATION..... | 5 |
| 5.1. Expenditure estimates per programme..... | 5 |
| 5.2. Programme 1: Administration..... | 6 |
| 5.3. Programme 2: Law Enforcement | 8 |
| 5.4. Programme 3: Training and Communications | 9 |
| 5.5. Programme 4: Registration | 10 |
| 6. PERFORMANCE INDICATORS AND TARGETS..... | 11 |
| 6.1. Programme 1: Administration..... | 11 |
| 6.2. Programme 2: Law Enforcement | 13 |
| 6.3. Programme 3: Training and Communications | 14 |
| 6.4. Programme 4: Registration | 16 |
| 7. CONCLUSION..... | 16 |
| 8. REFERENCES..... | 16 |

MANDATE OF PSIRA

The Private Security Industry Regulatory Authority was established in terms of section 2 of the Private Security Industry Regulation Act (2001), which replaced the Security Officers Act (1987). The Authority is mandated to regulate the private security industry, and exercise control over the practice of the occupation of security service providers in the public and national interest, as well as in the interest of the private security industry itself.

2020-2025 IMPACT STATEMENT

A legitimate, transformed and competent private security industry, which acts in interest of the state, public and private security industry and contributes towards a safer South Africa.



1. INTRODUCTION

The 2021/22 Annual Performance Plan (APP) of the Private Security Industry Regulatory Authority (PSIRA) provides measurable performance indicators and targets against which its performance and service delivery outputs will be measured at the end of the 2020/21 financial year. A key development in 2020/21 that continues throughout is the introduction of digital services for its clients, such as online registration, which inadvertently contributed greatly during the lockdown restrictions to ensure continuity in service delivery.

This paper provides a summary and analysis of the 2021/22 budget and the performance indicators contained in the PSIRA APP for Parliamentary oversight by the Portfolio Committee on Police during deliberations on 07 May 2021.

2. IMPACT OF COVID-19

On 15 March 2020, President Ramaphosa declared the COVID-19 pandemic a national disaster and on 23 March 2020, announced a national lockdown that started from midnight on 26 March 2020 and has since continued on an adjusted risk strategy.

As part of the lockdown regulations, private security services were identified as an essential service. In the Authority's 2021/22 APP, the Minister of Police acknowledged the key role played by the private security industry in curbing the spread of COVID-19, through protecting and safeguarding property and persons, and assisting businesses by ensuring they observe health protocols. During lockdown levels 4 and 5, there was an increased need for the protection of shops, businesses and assets. Many security businesses were unable to supply compliance certificates, which necessitated a response from PSIRA despite many of its offices being closed. This highlighted the need for digital systems, including:

- Bulk renewals: To minimise contact, one representative from a security business was allowed to bring all relevant renewal documents to be certified instead of several individuals.
- Online appointment bookings: Reduced waiting times and congregation of persons outside PSIRA offices.
- Mobile platforms: The use of PSIRA's mobile app has increased.

There have been reports of private security guards overstepping their mandate and abusing their power. However, PSIRA is a regulatory body and not an oversight or investigative body. PSIRA should encourage the private security service providers to monitor employees' behaviour and encourage the public to report cases of misconduct to the PSIRA complaints hotline.

3. POLICY AND LEGISLATIVE MANDATE

3.1. Constitutional mandate

The Bill of Rights as contained in Chapter 2 of the Constitution, 1996, enshrines the rights of all people in South Africa and affirms the democratic values of human dignity, equality and freedom. The adequate protection of fundamental rights to life and security of a person as well as the right not to be deprived of property is fundamental to the well-being and to the social and economic development of every person. The protection of these rights is afforded to state security agencies established in terms of the



Constitution, but the private security industry in general also plays an important role in protecting and safeguarding these rights.¹

Section 199 of the Constitution provides for the establishment of security services which includes a single police service, single defence force and any intelligence services established in terms of the Constitution. In terms of section 199(3) of the Constitution, any other armed organisations of services may only be established in terms of national legislation.²

3.2. Legislative and policy mandates

The PSIRA was established in terms of Section 2 of the Private Security Industry Regulation Act, 2001 (Act No. 56 of 2001). The Authority's mandate is to regulate the private security industry and to exercise effective control over the practice of the security service providers in the public and national interest, and in the interest of the private security industry itself.

The Private Security Industry Regulation Amendment Bill [B27D-2012] takes a stronger regulatory position on the involvement of private security outside the South African border. The Amendment Bill provides for far greater restrictions and detailed prohibitions/requirements imposed on security services rendered outside the Republic. The most heavily contested provision of the Bill centred on the issue of foreign ownership of private security companies. The Amendment Bill if a company can only be registered as a security provider "if 51 percent of the ownership and control is exercised by South African citizens". The Amendment Bill was introduced in Parliament during September 2012 and only adopted and submitted to the President for assent in March 2014.

Regarding the progress of the PSIRA Amendment Bill, there is still an exchange of information between the Civilian Secretariat for Police Service and other stakeholders. The stakeholders are still deciding whether the Bill should be sent back to Parliament or sent to the President to sign.

The Authority's funding model based on annual fees and the growth of the private security industry in relation to employment levels, has become redundant. In this regard, the Authority intends implementing the Private Security Industry Levies Act, 2002 (Act No. 23, 2002) and is engaging National Treasury on this matter. These engagements continue for reviewing the Act into a Money Bill in terms of section 77 of the Constitution to be re-introduced in Parliament by National Treasury as the custodian of Money Bills. The Committee should engage the Ministers of Police and Finance to encourage the reintroduction of the Levies Act as a matter of urgency.

The establishment of an industry guarantee fund is a priority of the PSIR Act, which aims to provide limited liability cover for industry clients. However, the fund is reliant on the implementation of the Private Security Industry Levies Act, 2002 insofar as initial capitalisation of the fund is concerned.

4. STRATEGIC FIVE-YEAR PRIORITIES

The Minister of Police highlighted that *"A legitimate, transformed and competent private security industry which acts in the interest of the state, public and private security industry and which contributes*

¹ PSIRA Strategic Plan 2020-2025

² PSIRA Strategic Plan 2020-2025



to a safer South Africa, can only be realised if we accept the responsibility placed on us to deliver on the implementation of our five-year strategic plan.”

Key outcomes

The 2020-2025 Strategic Plan highlights six key outcomes for the Authority during this period:

- Maintain financial sustainability, accountability, relevance and performance;
- A professional, accountable and trustworthy private security industry;
- A capable and trained private security industry;
- Enhance relations and collaborations with stakeholders;
- The private security industry is vetted and efficiently registered; and
- The private security industry is transformed.

Alignment to the MTSF

The Authority's five-year Strategic Plan is aligned to Government's MTSF 2019-2024 priorities with a specific focus on the following key outcomes:

- Strengthened relationships with all stakeholders, especially other entities of the Justice, Crime Prevention and Security (JCPS) cluster;
- Improved overall organisational performance;
- Effective implementation of the compliance and law enforcement strategy which is aimed at changing behaviour in the industry and improving industry compliance;
- Protection of the public interest through a more professional and trustworthy private security industry;
- A legitimate private security industry that contributes to improved relationships with state law enforcement agencies in the fight against crime;
- Build capacity through industry research and continuous stakeholder engagements;
- Improved IT infrastructure to enhance organisational efficiencies and service delivery mandate; and
- Improved industry-training standards to ensure industry professionalisation and attracting the youth to consider a career in one or more of the growing sectors of the industry.

National Economic Reconstruction and Recovery Plan

The growth in the private security industry contributes to economic growth and the National Economic Reconstruction and Recovery Plan, which the President tabled on 15 October 2020. According to PSIRA, the following is of specific relevance:

- 1) Job creation; and
- 2) Fast tracking the reduction of the cost of doing business and lowering the barriers to entry (digitisation).

Organisational review and redesign

PSIRA concluded an organisational review and redesign process in 2019/20, and developed a new organisational structure that will be implemented through a phased approach over the next five years. The core of the new structure is decentralisation aimed to improve decision-making, reducing process complexity, and balancing centralised policy development and decentralised implementation. The reasons for decentralisation include (amongst others):

- Ensuring improved business performance and PSIRA customer focus and management
- Improving co-ordination between operational teams



- Simplifying systems and processes to ensure efficiency and to improve service delivery while reducing costs
- Reducing duplication
- Simplifying and linking the new organisational structure with the activities in the value chain and support functions
- Improved risk management

According to PSIRA, this will create a larger span of control through new operational processes, which calls for new management practices, and supporting processes.

5. OVERALL BUDGET ALLOCATION

The budget analysis of the PSIRA is different to that of government departments. PSIRA, as a schedule 3 public entity, does not receive funds from Government, but generates revenue through the collection of annual and registration fees from private security businesses and security officers, as mandated in section 3 of the Private Security Industry Regulation Act (2001). The financial position of PSIRA is measured on potential revenue. National and provincial governments are on a modified cash basis of accounting, while local authorities and public entities use accrual accounting. Accrual accounting is best defined as “when transactions are recorded in the books of accounts as they occur even if the payment for that particular product or service has not been received or made. This method is more appropriate in assessing the health of the organisation in financial terms”.³ Furthermore, accrual accounting records revenues and expenses when they are incurred, regardless of when cash is exchanged. The term “accrual” refers to any individual entry recording revenue or expense in the absence of a cash transaction.⁴

5.1. Expenditure estimates per programme

In 2021/22, the Authority estimates a budget of R354 million, which is a nominal increase of 10.8 per cent compared to the previous financial year. Expenditure is expected to increase at an average annual rate of 9.8 per cent, from R319.5 million in 2020/21 to R423.2 million in 2023/24. The Administration Programme has a budget of R176.4 million in 2021/22, which is a nominal increase of 12.43 per cent compared to the previous financial year.

Table 1: PSIRA expenditure trends and estimates by programme

| Programme | Budget | | Nominal Increase / Decrease in 2021/22 | Real Increase / Decrease in 2021/22 | Nominal Percent change in 2021/22 | Real Percent change in 2021/22 |
|----------------------------|---------|---------|--|-------------------------------------|-----------------------------------|--------------------------------|
| R million | 2020/21 | 2021/22 | | | | |
| Administration | 156.9 | 176.4 | 19.5 | 12.4 | 12.43 per cent | 7.90 per cent |
| Law Enforcement | 120.8 | 130.9 | 10.1 | 4.8 | 8.36 per cent | 3.99 per cent |
| Communication and Training | 23.3 | 25.5 | 2.2 | 1.2 | 9.44 per cent | 5.03 per cent |
| Registration | 18.2 | 21.0 | 2.8 | 2.0 | 15.38 per cent | 10.73 per cent |
| TOTAL | 319.4 | 354.0 | 34.6 | 20.3 | 10.8 per cent | 6.37 per cent |

Source: National Treasury (2021)

³ <https://economictimes.indiatimes.com/definition/accrual-accounting>

⁴ <https://www.entrepreneur.com/encyclopedia/accrual-accounting>



The Law Enforcement Programme has a budget of R130.9 million, which is a nominal increase of 8.36 per cent. The Communication and Training Programme has a budget of R25.5 million in 2021/22, which is a nominal increase of 9.44 per cent. The Registration Programme's budget increased from R18.2 million in 2020/21 to R21 million in 2021/22, which is a nominal increase of 15.38 per cent, representing the largest increase of all Programmes. Considering inflation, the Registration Programme's budget increased with 10.73 per cent compared to the previous financial year.

In terms of proportional allocations, there were not much change in that of individual Programmes. The proportional allocations of the Law Enforcement Programme decreased with 0.84 per cent. Although this is not a significant decrease, it should be noted as the Programme performs a core service. The Programme continues to receive the second largest proportional allocation at 36.98 per cent. Similarly, the proportional allocation of the Communication and Training Programme decreased slightly. The proportional allocations of the Administration and Registration Programmes increased with 0.71 per cent and 0.23 per cent respectively. The Administration Programme continues to receive the bulk of the Authority's budget at 49.83 per cent.

Table 2: Percent of total budget per subprogramme

| Programme | Budget | Percent of total budget per programme | Budget | Percent of total budget per programme | Change in percent allocation |
|----------------------------|--------------|---------------------------------------|--------------|---------------------------------------|------------------------------|
| R million | 2020/21 | | 2021/22 | | |
| Administration | 156.9 | 49.12 per cent | 176.4 | 49.83 per cent | 0.71 per cent |
| Law Enforcement | 120.8 | 37.82 per cent | 130.9 | 36.98 per cent | -0.84 per cent |
| Communication and Training | 23.3 | 7.29 per cent | 25.5 | 7.20 per cent | -0.09 per cent |
| Registration | 18.2 | 5.70 per cent | 21.0 | 5.93 per cent | 0.23 per cent |
| TOTAL | 319.4 | 100.00 per cent | 354.0 | 100.00 per cent | 0.00 per cent |

Source: National Treasury (2021)

5.2. Programme 1: Administration

In 2021/22, the Administration Programme has a budget of R176.4 million, which is a nominal increase of 12.4 per cent. Considering inflation, the budget increased with 7.88 per cent. The increased allocation is driven by a significant increase in *Consultancy and professional fees*. The allocation increased from R4.04 million in 2020/21 to R8.64 million in 2021/22, which is a nominal increase of 113.78 per cent and a real increase of 105.16 per cent. The increased trend continues from the previous financial year, in which the allocation increased from R2.3 million in 2019/20 to R4 million in 2020/21, which was a nominal increase of 75.65 per cent.

Personnel expenditure is expected to increase from R82.8 million in 2020/21 to R93 million in 2021/22, which is a nominal increase of 12.37 per cent. Expenditure on *Travel and subsistence* is expected to decrease from R3.9 million in 2020/21 to R3.6 million in 2021/22, which is a nominal decrease of 5.79 per cent. Considering inflation, this is a real decrease of 9.59 per cent. The budget for Repairs and maintenance increased from R1.15 million in 2020/21 to R1.26 million in 2021/22, which is a nominal increase of 9.47 per cent.



Table 3: Operating expenditure for 2021/22 - Administration Programme

| Programme | Budget | | Nominal Increase / Decrease in 2021/22 | Real Increase / Decrease in 2021/22 | Nominal Percent change in 2021/22 | Real Percent change in 2021/22 |
|-----------------------------------|------------------|------------------|--|-------------------------------------|-----------------------------------|--------------------------------|
| R'000 | 2020/21 | 2021/22 | | | | |
| Personnel Expenditure | 82 821.0 | 93 068.0 | 10 247.0 | 6 495.7 | 12.37 per cent | 7.84 per cent |
| Administrative Expenditure | 44 305.0 | 47 266.0 | 2 961.0 | 1 055.8 | 6.68 per cent | 2.38 per cent |
| Repairs and Maintenance | 1 151.0 | 1 260.0 | 109.0 | 58.2 | 9.47 per cent | 5.06 per cent |
| Travel and Subsistence | 3 904.0 | 3 678.0 | - 226.0 | - 374.2 | -5.79 per cent | -9.59 per cent |
| Lease Payments | 20 765.0 | 22 555.0 | 1 790.0 | 880.9 | 8.62 per cent | 4.24 per cent |
| Consultancy and Professional Fees | 4 042.0 | 8 641.0 | 4 599.0 | 4 250.7 | 113.78 per cent | 105.16 per cent |
| TOTAL | 156 988.0 | 176 467.0 | 19 479.0 | 12 366.1 | 12.4 per cent | 7.88 per cent |

Source: PSIRA 2021/22 APP

Proportionally, the significant increase in *Consultancy and professional fees* had a significant impact on the proportional allocation within the Administration Programme. Compared to the previous financial year, the allocation increased with 2.32 per cent. Expenditure on *personnel* continues to receive the bulk of the Programme's allocation at 52.74 per cent, followed by *administrative expenditure* at 26.78 per cent of the Programme's total budget allocation.

Table 4: Percent of total Administration Programme budget per subprogramme

| Programme | Budget | Percent of total budget per programme | Budget | Percent of total budget per programme | Change in percent allocation |
|-----------------------------------|------------------|---------------------------------------|------------------|---------------------------------------|------------------------------|
| R'000 | 2020/21 | | 2021/22 | | |
| Personnel Expenditure | 82 821.0 | 52.76 per cent | 93 068.0 | 52.74 per cent | -0.02 per cent |
| Administrative Expenditure | 44 305.0 | 28.22 per cent | 47 266.0 | 26.78 per cent | -1.44 per cent |
| Repairs and Maintenance | 1 151.0 | 0.73 per cent | 1 260.0 | 0.71 per cent | -0.02 per cent |
| Travel and Subsistence | 3 904.0 | 2.49 per cent | 3 678.0 | 2.08 per cent | -0.40 per cent |
| Lease Payments | 20 765.0 | 13.23 per cent | 22 555.0 | 12.78 per cent | -0.45 per cent |
| Consultancy and Professional Fees | 4 042.0 | 2.57 per cent | 8 641.0 | 4.90 per cent | 2.32 per cent |
| TOTAL | 156 988.0 | 100.00 per cent | 176 467.0 | 100.00 per cent | 0.00 per cent |

Source: PSIRA 2021/22 APP

Comments and questions

- 1) The Authority should explain the significant increase in the allocation for Consultancy and Professional Fees.



5.3. Programme 2: Law Enforcement

In 2021/22, the budget for the Law Enforcement Programme increased from R120.6 million in 2020/21 to R130.9 million, which is a nominal increase of 8.5 per cent. Considering inflation, the Programme's allocation increased with 4.12 per cent. The budget for personnel increased from R85.2 million in 2020/21 to R91.3 million, which is a nominal increase of 7.12 per cent.

In contrast to the significant increase in the allocation to *consultancy and professional fees* in the Administration Programme, the allocation thereof in the Law Enforcement Programme decreased from R38 000 in 2020/21 to R24 000 in 2021/22, which is a nominal decrease of 36.84 per cent. The 2021/22 allocation for *travel and subsistence* increased from R5.4 million in 2021/22 to R7.23 million, which is a nominal increase of 33.01 per cent. In light of significant reductions in the number of inspections that will be conducted in 2021/22, coupled with continued lockdown restrictions, the increase in *travel and subsistence* is curious and must be explained.

Table 5: Operating Expenditure for 2021/22 - Law Enforcement Programme

| Programme | Budget | | Nominal Increase / Decrease in 2021/22 | Real Increase / Decrease in 2021/22 | Nominal Percent change in 2021/22 | Real Percent change in 2021/22 |
|-----------------------------------|------------------|------------------|--|-------------------------------------|-----------------------------------|--------------------------------|
| R'000 | 2020/21 | 2021/22 | | | | |
| Personnel Expenditure | 85 277.0 | 91 347.0 | 6 070.0 | 2 388.1 | 7.12 per cent | 2.80 per cent |
| Administrative Expenditure | 15 524.0 | 17 206.0 | 1 682.0 | 988.5 | 10.83 per cent | 6.37 per cent |
| Repairs and Maintenance | 585.0 | 561.0 | - 24.0 | - 46.6 | -4.10 per cent | -7.97 per cent |
| Travel and Subsistence | 5 441.0 | 7 237.0 | 1 796.0 | 1 504.3 | 33.01 per cent | 27.65 per cent |
| Lease Payments | 14 003.0 | 14 562.0 | 559.0 | - 28.0 | 3.99 per cent | -0.20 per cent |
| Consultancy and Professional Fees | 38.0 | 24.0 | - 14.0 | - 15.0 | -36.84 per cent | -39.39 per cent |
| TOTAL | 120 686.0 | 130 938.0 | 10 252.0 | 4 974.3 | 8.5 per cent | 4.12 per cent |

Source: PSIRA 2021/22 APP

Proportionally, the allocations within the Law Enforcement Programme did not change significantly. The significant increase in the allocation for *travel and subsistence* caused the proportional allocation to increase by 1.02 per cent. Personnel expenditure continues to receive the bulk of the Programme's budget allocation at 69.76 per cent, followed by administrative expenditure (13.14 per cent of the Programme's total budget) and *lease payments* (11.12 per cent of the Programme's total budget).

Table 6: Percent of total Law Enforcement Programme budget per economic classification

| Programme | Budget | Percent of total budget per programme | Budget | Percent of total budget per programme | Change in percent allocation |
|-----------------------|----------|---------------------------------------|----------|---------------------------------------|------------------------------|
| R'000 | 2020/21 | | 2021/22 | | |
| Personnel Expenditure | 85 277.0 | 70.66 per cent | 91 347.0 | 69.76 per cent | -0.90 per cent |



| Programme | Budget | Percent of total budget per programme | Budget | Percent of total budget per programme | Change in percent allocation |
|-----------------------------------|------------------|---------------------------------------|------------------|---------------------------------------|------------------------------|
| R'000 | 2020/21 | | 2021/22 | | |
| Administrative Expenditure | 15 524.0 | 12.86 per cent | 17 206.0 | 13.14 per cent | 0.28 per cent |
| Repairs and Maintenance | 585.0 | 0.48 per cent | 561.0 | 0.43 per cent | -0.06 per cent |
| Travel and Subsistence | 5 441.0 | 4.51 per cent | 7 237.0 | 5.53 per cent | 1.02 per cent |
| Lease Payments | 14 003.0 | 11.60 per cent | 14 562.0 | 11.12 per cent | -0.48 per cent |
| Consultancy and Professional Fees | 38.0 | 0.03 per cent | 24.0 | 0.02 per cent | -0.01 per cent |
| TOTAL | 120 686.0 | 100.00 per cent | 130 938.0 | 100.00 per cent | 0.00 per cent |

Source: PSIRA 2021/22 APP

Comments and questions

- 1) The Authority should explain the significant increase in the budget allocation for *travel and subsistence*, in light of continued lockdown restrictions (social distancing) and a decrease in the number of inspections planned for 2021/22.

5.4. Programme 3: Training and Communications

In 2021/22, the budget allocation for the Training and Communications Programme increased from R23.3 million to R25.57 million, which is a nominal increase of 9.6 per cent. The allocation for *administrative expenses* increased from R6.6 million in 2020/21 to R7.38 million in 2021/22, representing a nominal increase of 11.71 per cent and a real increase of 7.21 per cent. Similar to that of the Law Enforcement Programme, the allocation for *travel and subsistence* increased compared to the previous financial year. The item received R1.55 million in 2021/22, which is a nominal increase of 27.09 per cent compared to 2020/21.

Table 7: Operating expenditure for 2021/22 - Training and Communications Programme

| Programme | Budget | | Nominal Increase / Decrease in 2021/22 | Real Increase / Decrease in 2021/22 | Nominal Percent change in 2021/22 | Real Percent change in 2021/22 |
|-----------------------------------|-----------------|-----------------|--|-------------------------------------|-----------------------------------|--------------------------------|
| R'000 | 2020/21 | 2021/22 | | | | |
| Personnel Expenditure | 14 191.0 | 15 332.0 | 1 141.0 | 523.0 | 8.04 per cent | 3.69 per cent |
| Administrative Expenditure | 6 610.0 | 7 384.0 | 774.0 | 476.4 | 11.71 per cent | 7.21 per cent |
| Repairs and Maintenance | 2.0 | 2.0 | 0.0 | - 0.1 | 0.00 per cent | -4.03 per cent |
| Travel and Subsistence | 1 222.0 | 1 553.0 | 331.0 | 268.4 | 27.09 per cent | 21.96 per cent |
| Consultancy and Professional Fees | 1 300.0 | 1 300.0 | 0.0 | - 52.4 | 0.00 per cent | -4.03 per cent |
| TOTAL | 23 325.0 | 25 570.0 | 2 245.0 | 1 214.3 | 9.6 per cent | 5.21 per cent |

Source: PSIRA 2021/22 APP

In terms of proportional allocations, there was no significant shifts within the Training and Communication Programme. *Personnel expenditure* continues to receive the bulk of the Programme's



budget allocation at 59.96 per cent, followed by *administrative expenses* at 28.88 per cent of the total budget allocation.

Table 8: Percent of total Training and Communication Programme budget per economic classification

| Programme | Budget | Percent of total budget per programme | Budget | Percent of total budget per programme | Change in percent allocation |
|-----------------------------------|-----------------|---------------------------------------|-----------------|---------------------------------------|------------------------------|
| R million | 2020/21 | | 2021/22 | | |
| Personnel Expenditure | 14 191.0 | 60.84 per cent | 15 332.0 | 59.96 per cent | -0.88 per cent |
| Administrative Expenditure | 6 610.0 | 28.34 per cent | 7 384.0 | 28.88 per cent | 0.54 per cent |
| Repairs and Maintenance | 2.0 | 0.01 per cent | 2.0 | 0.01 per cent | 0.00 per cent |
| Travel and Subsistence | 1 222.0 | 5.24 per cent | 1 553.0 | 6.07 per cent | 0.83 per cent |
| Lease Payments | 0.0 | 0.00 per cent | 0.0 | 0.00 per cent | 0.00 per cent |
| Consultancy and Professional Fees | 1 300.0 | 5.57 per cent | 1 300.0 | 5.08 per cent | -0.49 per cent |
| TOTAL | 23 325.0 | 100.00 per cent | 25 570.0 | 100.00 per cent | 0.00 per cent |

Source: PSIRA 2021/22 APP

5.5. Programme 4: Registration

In 2021/22, the Registration Programme received a budget allocation of R21.03 million, which is a substantial nominal increase of 15 per cent compared to the previous financial year. The Programme received the largest comparative increased of all the Authority's budget Programmes Considering inflation, the Programme's allocation had a real increase of 10.38 per cent. The allocation for *administrative expenditure* increased from R12.5 million in 2020/21 to R14.8 million in 2021/22, which is a nominal increase of 18.58 per cent and a real increase of 13.75 per cent. The allocation for personnel expenditure increased from R5.08 million in 2020/21 to R5.47 million in 2021/22, which is a nominal increase of 7.81 per cent. In contrast to other Programmes, the allocation for *travel and subsistence* received only a slight nominal increase of 4.08 per cent, which is a real decrease of 0.11 per cent compared to the previous financial year.

Table 9: Operating expenditure for 2021/22 – Registration Programme

| Programme | Budget | | Nominal Increase / Decrease in 2021/22 | Real Increase / Decrease in 2021/22 | Nominal Percent change in 2021/22 | Real Percent change in 2021/22 |
|----------------------------|-----------------|-----------------|--|-------------------------------------|-----------------------------------|--------------------------------|
| R'000 | 2020/21 | 2021/22 | | | | |
| Personnel Expenditure | 5 080.0 | 5 477.0 | 397.0 | 176.2 | 7.81 per cent | 3.47 per cent |
| Administrative Expenditure | 12 520.0 | 14 840.0 | 2 320.0 | 1 721.8 | 18.53 per cent | 13.75 per cent |
| Travel and Subsistence | 686.0 | 714.0 | 28.0 | - 0.8 | 4.08 per cent | -0.11 per cent |
| TOTAL | 18 286.0 | 21 031.0 | 2 745.0 | 1 897.3 | 15.0 per cent | 10.38 per cent |

Source: PSIRA 2021/22 APP

The increased allocation for *administration expenses* had a significant effect on the proportional allocations of items in the Programme. Unlike other Programmes, *administrative expenditure* receives



the bulk of the Programme's total budget allocation at 70.56 per cent, followed by *personnel expenditure* at 26.04 per cent of the total allocation. It should be noted that the Programme has only 26 staff from a total staff complement of 379 staff (6.8 per cent).

Table 10: Percent of total Registration Programme budget per economic classification

| Programme | Budget | Percent of total budget per programme | Budget | Percent of total budget per programme | Change in percent allocation |
|-----------------------------------|-----------------|---------------------------------------|-----------------|---------------------------------------|------------------------------|
| R million | 2020/21 | | 2021/22 | | |
| Personnel Expenditure | 5 080.0 | 27.78 per cent | 5 477.0 | 26.04 per cent | -1.74 per cent |
| Administrative Expenditure | 12 520.0 | 68.47 per cent | 14 840.0 | 70.56 per cent | 2.09 per cent |
| Repairs and Maintenance | 0.0 | 0.00 per cent | 0.0 | 0.00 per cent | 0.00 per cent |
| Travel and Subsistence | 686.0 | 3.75 per cent | 714.0 | 3.39 per cent | -0.36 per cent |
| Lease Payments | 0.0 | 0.00 per cent | 0.0 | 0.00 per cent | 0.00 per cent |
| Consultancy and Professional Fees | 0.0 | 0.00 per cent | 0.0 | 0.00 per cent | 0.00 per cent |
| TOTAL | 18 286.0 | 100.00 per cent | 21 031.0 | 100.00 per cent | 0.00 per cent |

Source: PSIRA 2021/22 APP

6. PERFORMANCE INDICATORS AND TARGETS

6.1. Programme 1: Administration

This programme is responsible for the overall coordination of all efforts and activities of the Authority towards the achievement of the strategic goals and achieving organisational success, the financial management of the Authority and providing institutional support and services to the other programmes. It is also responsible for institutional reporting, management processes and systems to track performance against each of the strategic objectives.

This programme has the following subprogrammes:

- 1) **Finance subprogramme:** Provides financial management, support and reporting. Facilitation and coordination of internal audit and risk management.
- 2) **Corporate Services subprogramme:** Provides human resource management services and support; Provides business and information technology services and support; and Provides legal services and support, and ensures legislative compliance.
- 3) **Operations subprogramme:** Conducts research about private security to inform development of policy, regulations and standards.

The table below summarises the performance indicators and targets for the Administration Programme.

Table 11: Programme Performance Indicators and Targets: Administration Programme

| Outputs | Performance Indicator | 2020/21 Target | 2021/22 Target |
|------------------------------|--|---------------------------|----------------|
| Subprogramme: Finance | | | |
| Unqualified audit opinion | Unqualified audit opinion with no significant findings | Unqualified audit opinion | Removed |



| Outputs | Performance Indicator | 2020/21 Target | 2021/22 Target |
|---|--|--|--|
| Increased revenue collection | % Revenue collected | 75% revenue collected on billed annual fees | 78% revenue collected on billed annual fees Target increased |
| <i>Established Guarantee Fund</i> | <i>Establish and Implementation of the Guarantee Fund</i> | <i>Guarantee Fund product designed and approved</i> | <i>Removed The Fund was established.</i> |
| Audit Action Plan (AGSA) and Internal Audit findings | Percentage implementation of the Audit Action Plan | New indicator | 100% implementation |
| Statutory tabling and reporting | Percentage compliance with statutory reporting requirements | New indicator | 100% compliance |
| Risk Management | Percentage implementation of the approved Strategic Risk Mitigation Plan | New Indicator | 100% implementation |
| Subprogramme: Corporate Services | | | |
| <i>Training interventions implemented</i> | <i>% of employee training interventions implemented as per Annual Training Plan</i> | 85% | <i>Removed</i> |
| <i>Developed digital business strategy</i> | <i>Date for the development of a digital business strategy</i> | 30 June 2020 | <i>Removed The Strategy was developed</i> |
| Business process digitised | % implementation of digital business strategy and implementation plan | 20% | 40% implementation Target increased |
| Human Resources management and development | Percentage of the vacancy rate against the approved funded positions | New indicator | Not more than 7% |
| | Percentage of employee performance rating assessed at 3 and above as per Performance Management System | New indicator | 90% of assessed employees perform on rating of 3 and above |
| Developed security sector regulations and standards | Number of security sector regulations and standards developed | 3 regulations and standards | Remained unchanged at 3 regulations and standards |
| <i>Achieved service standards on appeals and exemptions</i> | <i>Average turnaround time of finalising exemptions/appeals</i> | 30 days | <i>Removed</i> |
| Subprogramme: Research and Development | | | |
| Completed research reports, surveys and policy documents | Number of relevant research reports completed | 5 | Remained unchanged at 5 research reports |
| | Number of completed surveys | 4 | Remained unchanged at 4 surveys |
| | <i>Number of policy documents developed</i> | 3 | <i>Removed</i> |
| Private Security Industry Charter and Transformation Index | Draft Transformation Charter and Transformation Index for the | Approval of the concept model for a Transformation for | Draft Transformation Charter and Transformation Index |



| Outputs | Performance Indicator | 2020/21 Target | 2021/22 Target |
|---------|-------------------------------------|---|---|
| | Private Security Industry developed | the Private Security Industry developed | for the Private Security Industry developed |

PSIRA 2021/22 APP

Comments and questions

- 1) The Authority should explain the removal of key performance indicators, including unqualified audit, staff training, finalisation of appeals and development of policy documents.
- 2) The Authority should unpack the Digital Business Strategy and provide details on the development of the strategy, including the costs associated with the strategy (including the consultants used to develop and implement the strategy) and whether there is a maintenance contract in place?

6.2. Programme 2: Law Enforcement

This programme is responsible for ensuring that industry players operate and comply with regulations and standards and take appropriate action where violations occur. This programme consists of the following sub-programmes:

- *Compliance and Enforcement subprogramme:* Provides inspections and investigations to verify whether the industry complies with regulations and standards.
- *Prosecutions subprogramme:* Prepares and presents evidence about improper conduct by the industry participants.
- *Operational management subprogramme:* Provides regional capacity.

Table 12: Programme Performance Indicators and Targets: Law Enforcement Programme

| Outputs | Performance Indicator | 2020/21 Target | 2021/22 Target |
|---|--|----------------|---------------------------|
| Subprogramme: Compliance and Enforcement | | | |
| Security businesses inspected | Number of security businesses inspected to enforce compliance with applicable legislation | 6 725 | 5 000 Decrease |
| | Percentage of registered active businesses completing industry compliance self-assessments | New indicator | 40% |
| Security officers inspected | Number of security officers inspected to enforce compliance with applicable legislation | 35 940 | 26 220 Decrease |
| Investigations finalised | % of investigations finalised against non-compliant Security Service Providers (SSPs) | 90% | 90% Unchanged |
| Registered criminal cases | % of criminal cases opened against non-compliant Security Service Providers (SSPs) | 95% | 95% Unchanged |
| Security businesses licenced for firearms inspected | Number of security businesses licensed to possess firearms inspected | 1 500 | 1 575 Increase |
| Subprogramme: Prosecutions | | | |
| Security service provider cases prosecuted | % of cases of non-compliant Security Service Providers (SSPs) prosecuted per year | 92% | 92% Unchanged |

PSIRA 2021/22 APP



Comments and questions

- 1) The Authority should explain the decrease in the number of inspections to be conducted on security businesses and security officers. Is the Authority confident that the self-assessments provide an adequate substitute for inspections?
- 2) The Authority should provide details on the development of a self-assessment policy and process.
- 3) The Authority should indicate whether any progress has been made to extend the geographic footprint of PSIRA countrywide, especially in the North West, Free State and Northern Cape Provinces.
- 4) The Authority should indicate what steps have been taken to address the non-compliance of security service providers (businesses) with the provisions of the basic conditions of employment. The number of compliance inspections have been increased, but specific focus should be placed on this area in terms of the payment of statutory minimum wages, as the exploitation of security guards is an ongoing concern.
- 5) The Authority should indicate the manner in which the monitoring of deregistered companies is done and what steps are taken to ensure that they do not operate within the industry.
- 6) The Authority should indicate how gender equality is promoted in the private security industry.
- 7) The Authority should indicate whether the training of inspectors has improved and whether inspectors are trained in areas of cybercrime.
- 8) The regulation of firearms by private security providers should be strengthened, especially in terms of the types of firearms used. How is the dysfunctionality of the Central Firearms Registry (CFR) affecting the Authority to inspect firearm licenses and usage? In this, the increase in inspections on businesses licences to use firearms is a positive development.

6.3. Programme 3: Training and Communications

This programme is responsible for the content and quality of the training offered in the industry and for communicating knowledge about the industry and sharing consistent information, results and relevance of the Authority. The programme consists of the following subprogrammes:

1. *Industry Training programme*: Provides development of sector-based training, accreditation services and standards.
2. *Marketing, Brand Management and Communications subprogramme*: Ensures that PSIRA's functions and services are adequately promoted.
3. *Stakeholder Relations subprogramme*: It ensures that the promotion and advocacy mandate of PSIRA are realised.
4. *Customer Care- Complaints Management*.
5. *Corporate Social Responsibility*.



Table 13: Programme Performance Indicators and Targets: Training and Communication Programme

| Outputs | Performance Indicator | 2020/21 Target | 2021/22 Target |
|---|--|------------------------------|--|
| Sub programme: Training | | | |
| Accredited training centres | Average turnaround time to finalise applications for accreditation of training institutions | 20 days | 15 days Improved |
| Accredited training instructors | Average turnaround time to finalise instructor applications for accreditation | 7 days | 7 days Unchanged |
| | Number of accredited instructors audited | New indicator | 100 instructors |
| Accredited courses | Number of new accredited courses developed | 3 qualifications | 2 qualifications Decreased |
| Training assessment centres | Number of external training assessments centres established | 2 | Removed |
| External assessment | Percentage of learners completing online external assessments | Approval of concept document | 20% of learners |
| Sub programme: Marketing, Communications and Stakeholder relations | | | |
| Cooperation agreement | Number of new co-operation agreements entered into with international industry regulatory bodies | 1 | 1 Unchanged |
| Marketing and communication | Number of external stakeholder awareness workshops conducted | New indicator | 60 stakeholder awareness workshops conducted |
| Marketing and communication | Number of external stakeholder awareness campaigns held | New indicator | 10 stakeholder awareness campaigns |

Source: PSIRA 2021/22 APP

Comments and questions

- 1) A large proportion of the public is unaware of a regulatory authority for the private security industry. As such, it is possible that the public awareness campaigns run by the PSIRA are not effective. What is the target audience of campaigns?
- 2) Are awareness campaigns spread across private security guards and private security clients/users? As it is important to educate guards on their rights, it is also important to educate the users of private security.
- 3) The Programme relies only on output targets with a simple count for calculation method, but how is the quality of training centres, instructors and courses ensured? Is accreditation sufficient? This could be an opportunity for the development of an outcome and perception-based performance indicator.
- 4) The Authority should explain how learners will complete online external assessments. What will these assessments entail and will the 20 per cent target be increased over the medium-term?



- 5) The improvement in the average turn-around time for the finalisation of applications for accreditation of training institutions should be welcomed.

6.4. Programme 4: Registration

In 2020/21, the Registration Programme appeared as a separate Programme. In 2019/20, it was part of the Communication, Registration and Training Programme.

The Registration Programme is responsible for the registration of industry businesses and security officers and has no subprogrammes.

Table 14: Programme Performance Indicators and Targets: Registration Programme

| Outputs | Performance Indicator | 2020/21 Target | 2021/22 Target |
|--|--|----------------------------------|---|
| An efficient online registration process | Average turnaround time of applications for registration meeting all the requirements for security businesses (working days) | Average of 8 days | Average of 5 days Improved |
| | Average turnaround time of applications for registration meeting all the requirements for security officers (working days) | Average of 14 days | Average of 12 days Improved |
| | Implementation of online registrations | Online registrations implemented | 30% of applicants Registered through the online registration platform |

Source: PSIRA 2021/22 APP

Comments and questions

The improvement in the Programme's performance targets should be welcomed.

7. CONCLUSION

The Authority should improve the regulatory framework of the private security industry to standardise the industry, especially in terms of training and the use of firearms. Unscrupulous security businesses should be brought to book and account for the breach of basic conditions of employment to ensure that security guards are treated fairly.

8. REFERENCES

- National Treasury. (2021) Estimates of National Expenditure 2021.
 National Treasury. (2021) *Vote 28: South African Police Service (SAPS)*. [Online version].
 PSIRA (2019) *Annual Report 2018/19*.
 PSIRA (2021). *Annual Performance Plan 2021/22*.
 PSIRA (2020). *Annual Performance Plan 2020/21*.