Private Security Industry Regulatory Authority

Strategic Plan

For the Fiscal Years 2012/13-2016/17

February 2012

Foreword

The Private Security Industry Regulatory Authority (PSIRA) has embarked on an organisational turnaround to drastically improve service delivery and establish a strong reputation as an effective regulator of private security in South Africa. The appointment of a new Council and a new leadership team in 2010 has set the foundations for the much required transformation of the Authority. This strategic planning document seeks to break from the past and chart a completely new road map to achieve an efficient, effective and professional Authority within the next 3 years.

Since 2010, there has been much progress on areas which PSIRA was under performing. In 2010-11 financial year, PSIRA for the first time received an unqualified audit opinion by the Auditor General. Moreover, despite poor financial performance and low revenue, management has introduced new revenue streams and reviewed disbursement fees.

During 2011-12, annual fee regulations were reviewed for the first time since 2001. These regulations were effectively implemented in January of 2012. These interventions, have paved way for PSIRA to generate sufficient income that will support the strategic initiatives and programmes.

In 2010, 7 strategic objectives were identified, with particular focus on strengthening PSIRA as an entity and reputable regulator. This year, the same objectives have been retained, classified as programmes in the annual performance plan (APP). The four programmes are, Law enforcement, Finance and Administration, Communication and Training and Corporate services.
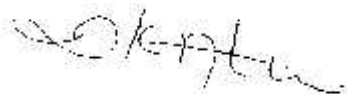
Official sign-off

It is hereby certified that this Strategic Plan:

- Was developed by the management of the Private Security Industry Regulatory Authority under the guidance of the Council.
- Takes into account all the relevant policies, legislation and other mandates for which the Private Security Industry Regulatory Authority is responsible.
- Accurately reflects the strategic outcome oriented goals and objectives which the Private Security Industry Regulatory Authority will endeavour to achieve over the period 2012/13-2016/17.

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1. Introduction

The Private Security Industry Regulatory Authority was established in terms of Section Two of the Private Security Industry Regulation Act (56 of 2001) in 2002. The strategic mandate of PSIRA originates from the Act and the regulations issued in terms of the Act. In a nutshell, the primary objectives of PSIRA are to regulate the private security industry and to exercise effective control over the practice of the occupation of security service provider in the public and national interest and in the interest of the private security industry itself.

2012 is a special year as it marks the 10th anniversary of the Private Security Industry Regulatory Authority. Over the years, the private security industry has grown exponentially. Private security industry statistics reveal that there are over 430 000 security officers employed in the industry, by more than 9 300 security businesses. This is in comparison to 143 335 (SAPS Annual Report March 2011) police officers in the service of the SAPS. For each police officer in the Service, there is 3 security officers employed by the private sector. These statistics reinforce the relevance and importance of regulation of private security industry by the State.

The purpose of State regulation is properly captured by the Authority's mission:

"To protect the constitutional rights of all people to life, safety and dignity through effective promotion and regulation of the private security industry"

2012 is also the third year the Council is in office, having been appointed by the Minister of Police in 2010. During the same year, Council developed a strategic plan covering financial years 2011/2012 – 2013/14. The strategic plan covered seven strategic objective i.e.

- Industry Stewardship (Knowledge and Advocacy)
- Stakeholder and Customer Relationship Management
- Financial Management and Funding
- Excellent Service Delivery (Effective Regulation)
- Effective and Efficient Processes and Systems
- Effective Organisational Structures with Skilled, Competent and Motivated Workforce
- Enabling Environment

This document presents the strategic plan which covers five years from 2012/13 to 2016/2017. It is the outcome of a revised strategic plan of 2010. In line with best practice, the revision of strategic plan seeks to address the following questions:

- What have we achieved in the past year
- What did we do well in the same period
- Which areas can we implement improvement mechanisms
- What are we doing in areas we didn't do well
- What are we going to prioritise in the coming year
- How are we going to overcome the constraints and challenges of the past year

The new programmes are identifiable as follows:

PROGRAMME 1 : LAW ENFORCEMENT

PROGRAMME 2: FINANCE AND ADMINISTRATION

PROGRAMME 3: COMMUNICATION AND TRAINING

PROGRAMME 4: CORPORATE SERVICES

The outcomes for the medium term are as follows:

- ✓ *Outcome 1: PSIRA is an excellent regulator and accessible to all*

- ✓ *Outcome 2: A legitimate private security industry characterised by professionalism, transparency and trustworthiness*

- ✓ *Outcome 3: Firearms in the private security industry are fully accounted for*

- ✓ *Outcome 4: PSIRA processes cases efficiently*

- ✓ *Outcome 5: PSIRA is financially sustainable entity*

- ✓ *Outcome 6: PSIRA has cutting edge technology*

- ✓ *Outcome 7: The standard of private security training is improved*

- ✓ *Outcome 8: PSIRA is a centre of excellence in private security research*

- ✓ *Outcome 9: PSIRA has competent, ethical and skilled workforce*

2. Legislative mandate

The primary objects of the Authority are to regulate the private security industry and to exercise effective control over the practice of the occupation of security service provider in the public and national interest and the interest of the private security industry itself. The mandate of PSIRA is to:

a) promote a legitimate private security industry which acts in terms of the principles contained in the Constitution and other applicable law;

b) ensure that all security service providers act in the public and national interest in the rendering of security services;

c) promote a private security industry which is characterized by professionalism, transparency, accountability, equity and accessibility;

d) promote stability of the private security industry;

e) promote and encourage trustworthiness of security service providers;

f) determine and enforce minimum standards of occupational conduct in respect of security service providers;

g) encourage and promote efficiency in and responsibility with regard to the rendering of security services;

h) promote, maintain and protect the status and interests of the occupation of security service provider;

i) ensure that the process of registration of security service providers is transparent, fair, objective and concluded timeously;

j) promote high standards in the training of security service providers and prospective security service providers;

k) encourage ownership and control of security businesses by persons historically disadvantaged through unfair discrimination;

l) encourage equal opportunity employment practices in the private security industry;

m) promote the protection and enforcement of the rights of security officers and other employees in the private security industry;

n) ensure that compliance with existing legislation by security service providers is being promoted and controlled through a process of active monitoring and investigation of the affairs of security service providers;

o) protect the interests of the users of security services;

p) promote the development of security services which are responsive to the needs of users of such services and of the community;

q) promote the empowerment and advancement of persons who were historically disadvantaged through unfair discrimination in the private security industry.

Table 1 – Mandate Assessment

Focus Area	Mandate Components	Criticality Rank	Performance Evaluation
Industry compliance with Constitution, laws and national interest (legitimate industry) and overall industry effectiveness (model and reputation)	a. promote a legitimate private security industry which acts in terms of the principles contained in the Constitution and other applicable law b. ensure that all security service providers act in the public and national interest in the rendering of security services c. promote a private security industry which is characterized by professionalism, transparency, accountability, equity and accessibility d. promote stability of the private security industry e. promote and encourage trustworthiness of security service providers g. encourage and promote efficiency in and responsibility with regard to the rendering of security services j. promote high standards in the training of security service providers and prospective security service providers n. ensure that compliance with existing legislation by security service providers is being promoted and controlled through a process of active monitoring and investigation of the affairs of security service providers	2	▪ Performance relatively well, however focus should shift to emerging risks ▪ There should be emphasis driving compliance by the industry ▪ There should be emphasis on criminal investigations ▪ There should be emphasis on firearms control in the private security industry
Industry compliance with fair labour practices	f. determine and enforce minimum standards of occupational conduct in respect of security service providers h. promote, maintain and protect the status and interests of the occupation of security service provider m. promote the protection and enforcement of the rights of security officers and other employees in the private security industry	4	▪ Exploitation of workers remains prevalent in the industry ▪ Need better coordination with Department of Labour ▪ There should be improvement in relations with unions
Effective service provision	i. ensure that the process of registration of security service providers is transparent, fair, objective and concluded timeously	3	▪ Turnaround times for registrations has improved significantly ▪ Administrative controls have improved during the past year through establishment of Registrations Committee ▪ Registration processes have been standardised ▪ In the future, there should be emphasis on improving technology and business information systems (ERP)
Promotion of BEE and EE in the industry	k. encourage ownership and control of security businesses by persons historically disadvantaged through unfair discrimination l. encourage equal opportunity employment practices in the private security industry q. promote the empowerment and advancement of persons who were historically disadvantaged through unfair discrimination in the private security industry	5	▪ In the past PSIRA has done very little in demonstrating progress in this area ▪ Future legislative amendments seek to address this
Protection of users' interests	o. protect the interests of the users of security services p. promote the development of security services which are responsive to the needs of users of such services and of the community	1	▪ Lack of research) ▪ Lack of PSIRA's visibility (Geographical footprint)

3. Vision, Mission and Values

Vision

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VISION
To be recognized as an
excellent regulator of private
security in South Africa by all

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The vision acknowledges the fact that PSIRA's success must be judged by its impact on society at large and specifically on ensuring that all the people of South Africa are and feel safe.

Mission

The mission of PSIRA is "To protect the constitutional rights of all people to life, safety and dignity through the effective promotion and regulation of the private security industry". The mission properly captures the core purpose of PSIRA.

Values

The value framework going forward incorporates the current values and enhances them by introducing the drive towards a spirit of collegiality and adherence to the Batho Pele principles. PSIRA currently has three values that are further subdivided into ten values as indicated in Figure 2 below.

Values Framework for PSIRA

4. Situational analysis

4.1   Key challenges

The key external challenges that PSIRA is facing in delivering against its mandate are as follows:

- Ever-increasing risk to the safety and security of South Africa and its citizens through the infiltration of the security industry by sophisticated criminal syndicates
- Rapid growth and expansion of the security industry, requiring both a broader regulatory geographic footprint as well as more resources to ensure effective coverage and enforcement
- unregistered security companies and operators
- Need to provide improved access to PSIRA whilst improving service delivery to stakeholders, in accordance with the principles of Batho Pele
- Lack of monitoring of Interception devices
- Lack of monitoring of firearms
- Foreign involvement in the private security industry creating potential threats to national security
- South African security companies operating outside of South Africa's borders
- Exploitation of labour
- Damaged reputation of PSIRA
- Non-compliance of the legislation
- Lack of integrity
- Economic factors which have a bearing on the ability of security companied to pay annual fees
- Threat to National Security (more security officers compared to the SAPS and Defence combined)
- Ignorance of the end-user or customers
- Clarity on the mandate around regulation versus oversight which poses a reputational risk.
- Anti-regulatory agenda of certain security companies
- Legal challenges regarding the annual fees
- Dependency on external service providers for IT systems
- Staff turnover
- Litigation
- Foreign ownership of Businesses
- Stakeholder buy-in

Some of these challenges are of strategic relevance for the country and are being addressed at parliamentary level through a legislative review of the Act, which should lead to improved regulations dealing with the challenges. It is also important to note that changes to the Act (e.g. lapsing and renewal of registrations) may have an impact on PSIRA's operations in terms of volume of work and will therefore need to be constantly monitored and taken into account in mapping the way forward.

4.2   Key Strengths and opportunities

Regardless of the key challenges (external and internal) mentioned above, PSIRA has managed to be sustainable due to its strengths and opportunities. This information is useful to PSIRA in order to maximise its opportunities and build on the strength of PSIRA.

 The strengths that PSIRA has helped it to deliver its mandate are as follows:
- Knowledge of the mandate
- Young vibrant staff
- Focused leadership
- Enabling Environment
- Legislation (our mandate is derived from this)
- New corporate Identity of PSIRA
- Infrastructure
- A good SMS communicating tool
- Hotline facility which deals with the ethical issues
- Our training mandate in terms of the Act
- Our mandate to accept donations in terms of the Act
- Powers to appoint 3rd parties to assist with the mandate
- Sufficient powers for Inspectors to carry-out the mandate
- Proper legislation to regulate the industry
- Renewal of registrations regulations to address the data integrity weakness
- Good Knowledgebase (competent staff)
- Finance Model, and
- Approved organisational structure

The opportunities that PSIRA has to sustain itself and to deliver towards its mandate includes:
- Data base in place / communication – monitoring firearms
- Growth of the industry / revenue generation
- Media coverage / awareness programmes
- Schedule 3 public entity / enhancement in the sharing of communication i.e. e filing
- Revenue – renewal of registrations
- Future funding – ability to fundraise
- Industry expertise – assistance to foreign countries
- Political will
- Job profiling and performance management systems are currently underway
- Fines regulations (review) and increase .Introducing the Amendment bill to improve our funding model (introduction of the Levies Act)
- Improved communications with stakeholders
- Improve and take advantage of the technology to carry out our mandate
- Skills Development.
- Capacity Building
- Improved condition of employment
- Development and implementation of business processes
- Personal Development Planning Initiatives

5. Policy developments

PSIRA's strategy needs to align with national priorities and more specifically contribute to the programme of action of the Justice, Crime Prevention and Security Cluster (CJS) as defined in the cluster's objectives:

- Addressing the overall levels of crime
- Improving effectiveness and ensuring integration of the CJS
- Combat corruption within the CJS cluster to enhance its effectiveness and its ability to serve as deterrent against crime
- Manage perception of crime among the population
- Combating of cyber crime
- Effectiveness and integration of border management
- Secure the identity and status of citizens

In order to achieve these objectives, the CJS has identified some focus areas which require specific attention by all members of the cluster:

- Strategic operational alignment of all stakeholders
- Improved CJS co-ordination and management, including capacity and performance management, at all levels
- Improved effectiveness and operational efficiencies in all component parts of the CJS
- More effective trials through protocols dealing with trial readiness of cases and the limiting of disputes as well as case flow management initiatives
- Legislative interventions such as the Forensics Bill dealing with fingerprint and DNA aspects
- The use of information technology (IT) systems to provide integrated management information to the cluster departments and the CJS overall
- Technology driven modernisation initiatives including roll out of video remands to various courts and correctional facilities

The 5 year strategic plan is fully aligned to these priorities with a specific focus on:

- Strengthening relationships with all stakeholders, especially the other entities of the CJS
  - o This will take place both at a strategic level, through improved coordination of activities, and at an operational level, through improved integration of databases and exchange of information;
- Weeding out corruption and criminality from the Authority
  - o PSIRA will apply a zero tolerance policy against infractions and commits to employ an ethical workforce;
- Focusing on performance
  - o PSIRA has defined Key Performance Indicators to monitor performance on a regular basis and will implement an effective individual performance management system at all levels of the organisation;
- Implementing a new law enforcement/compliance strategy
  - o PSIRA's strategy aims at changing behaviour in the industry and improving voluntary compliance through the adoption of a more proactive and preventive approach with the overall objective of reducing cases of illegalities;
- Building capacity

- o PSIRA will establish internal units focusing on industry research and business intelligence and will implement a learning and development programme for all its staff
- Leveraging IT
- PSIRA will put in place a functional and effective IT infrastructure and will adopt information management as a key means to improve process efficiency. Establishment of a quality assurance department
  - o This will enable PSIRA to be compliant with internal policies and increase its service delivery.
- Ethical charter
  - o PSIRA will develop an ethical charter that will help its employees to live according to the charter
- Revenue Management tool
  - o PSIRA to acquire management tool so as to improve revenue collection
- Organisational culture
  - o PSIRA to develop an organisational culture that is ideal to the organisation
- Online facilities
  - o PSIRA will enhance or streamline existing online facilities that are benchmarked to SARS. This will reduce the cost associated with manual processes, improve efficiency and turnaround times as well as improved customer satisfaction.
- Private Security Levies Act
  - o PSIRA to implement the PS Levies Act as a new way for business to pay levies. The implementation will result in increased revenue.
- Customer awareness program
  - o PSIRA to develop and implement customer awareness program so as to increase compliance of Section 38 (3) on effective regulation. It includes the provision of accurate information so that the public and end users are well informed.

6. Statement of intent and strategic architecture

A strategy statement of intent is a simple, clear, succinct strategy statement that everyone can internalise and use as the guiding light for making difficult choices. To drive the turnaround, PSIRA has defined a compelling statement of intent that can engender alignment and mobilisation across the organisation. PSIRA's 3-year Statement of Intent is presented below along with an explanation of the key elements of the statement to ensure a common understanding and consistent communication.

Professionalize
- Meeting certain agreed standards i.t.o. knowledge, planning, execution
- Systematic and structured approaches
- Ensure quality in everything we do

Operations
- Law enforcement (compliance, training, monitoring and prosecution)
- Industry research
- Stakeholder management
- Customer relationship management
- IT
- Financial management
- Human resources management and development

Mission
The mission of PSIRA is to protect the constitutional rights of all people to life, safety and dignity through the effective promotion and regulation of the private security industry

Beyond any doubt
- Clear, measurable and visible impact

Statement of Intent (3 years)

To **professionalise** the Authority in all its **operations** such that in the execution of its **mission** it achieves, **beyond any doubt**, the **satisfaction** of the **end-users** of private security services.

Based on the strategic context (mandate, key external and internal challenges, and alignment with national priorities) and on the 3-year statement of intent, PSIRA has identified seven key strategic priorities going forward. Four priorities can be seen as the pillars of the strategy, focusing externally (Industry stewardship; Stakeholder and customer relationship management) and internally (Financial management and funding; Excellent service delivery), while the other three priorities are the key enablers for effective strategic execution (Efficient and effective processes and systems; Effective organisational structures with skilled, competent and motivated workforce; Enabling environment). The overall strategic turnaround architecture is presented below.
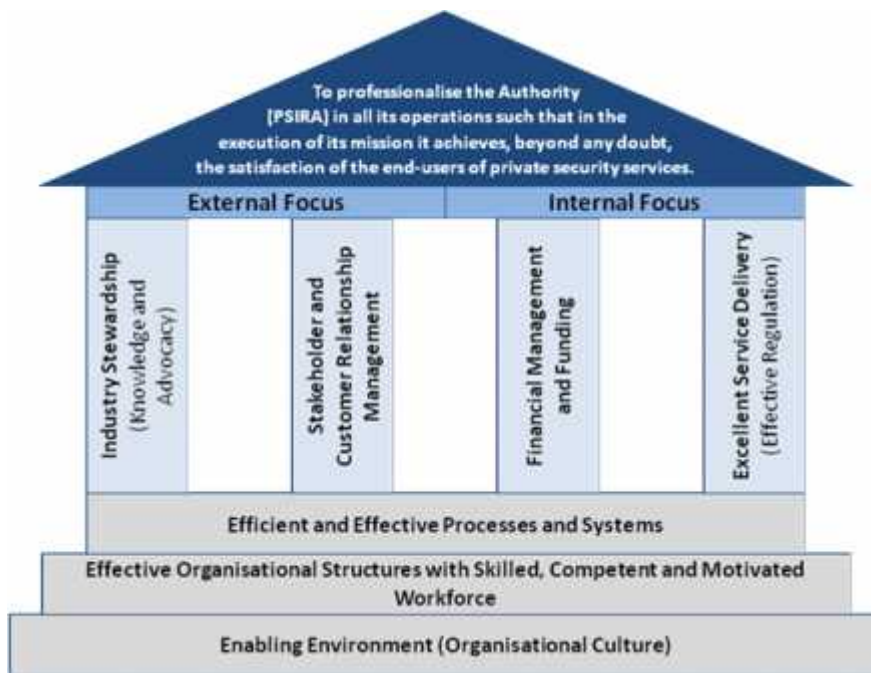
The 7 strategic objectives are classified into 4 programs as follows:

Objectives classified into Programmes:

Strategic objectives	Programmes
Excellent Service Delivery	Program 1: Law Enforcement
Financial Management and Funding	Program 2: Finance and Administration
Efficient and Effective Processes and Systems	Program 2: Finance and Administration
Industry stewardship	Program 3: Communication and Training
Stakeholder and Customer relationship management	Program 3: Communication and Training
Effective Organisational Structures	Program 4: Corporate Services
Enabling environment	Program 4: Corporate Services

For more information on programme classification, consult Annual Performance Plan.

7. Institutional Governance and Management

The accounting authority of PSIRA is Council, which is appointed by the Minister of Police in terms of the Act. Council comprises 5 members inclusive of the Chairperson and the Deputy Chairperson. In discharging its duties, Council may appoint sub committees of Council. These are, the Audit and Risk Committee, the Stakeholder Committee and the Remuneration Committee.

Council appoints Executive management. The Executive comprises the Director, and three Deputy Directors, responsible for three divisions, i.e. Finance and administration, Law Enforcement and Communication and training.

- Exco is responsible for oversight on day to day operations of the Authority. This includes organisational performance monitoring, review and decision making. Exco is chaired by the Director and its membership consists of the Deputy Directors of Finance, Law Enforcement and Communication and Training.

- Subcommittees of Exco include amongst others, the IT Steering Committee, Registration Committee and Regulatory Committee. The former considers and approves applications for registrations as security service providers whilst the latter considers suspensions and withdrawal of registrations.

8. Strategic Objectives and Programmes

All the priorities constituting the strategic turnaround architecture of PSIRA require the implementation of several key initiatives over the 5-year planning timeframe. The phasing of the initiatives has been defined by balancing the need for immediate action to address the burning issues while taking into account feasibility and execution constraints (e.g. resources and funding requirements, predecessors/dependencies of initiatives, need for cooperation from other stakeholders, etc.). It is important to note that some initiatives are already under way or are planned for completion before the beginning of the new fiscal year. Firm deadlines for completion have been indicated whenever possible. Accountabilities for implementation have been assigned to selected PSIRA's executives and senior managers and all the designated individuals have pledged their commitment to successful implementation. The action plans for the seven strategic priorities **(per programme)** are presented in the following paragraphs, .

PROGRAMME 1: LAW ENFORCEMENT

5-Year Objective	To enable effective compliance and enforcement of PSIRA legislation in order to achieve behavioural changes in the industry			
Programme	**Program 1: Law Enforcement**			
Year 1 (2012-13)	**Year 2 (2013-14)**	**Year 3 (2014-15)**	**Year 4 (2015-16)**	**Year 5 (2015-16)**
▪ Coordinate and review research outcomes ▪ Develop and implement compliance model and tie up with CRM strategy ▪ Train personnel on compliance model ▪ Engage NPA regarding amnesty ▪ Declare and implement amnesty ▪ Clean-up registrations database ▪ Reengineering of enforcement process ▪ Establish a Business Intelligence Unit to support enforcement ▪ Expand the Legal Services Divisions ▪ Identify potential partners for enforcement (e.g.	▪ Engage partners for enforcement strategy ▪ Publish information on withdrawals	▪ Conduct industry survey ▪ Renewal of registrations	▪ Conduct industry survey ▪ Renewal of registrations	▪ Conduct industry survey ▪ Renewal of registrations

5-Year Objective	To enable effective compliance and enforcement of PSIRA legislation in order to achieve behavioural changes in the industry			
Programme	**Program 1: Law Enforcement**			
Year 1 (2012-13)	Year 2 (2013-14)	Year 3 (2014-15)	Year 4 (2015-16)	Year 5 (2015-16)
insurance) ▪ Engage with Treasury for Letter of Good Standing ▪ Treasury directive issued				

PROGRAMME 2: FINANCE AND ADMINISTRATION

5-Year Objective	To be a financially stable and sustainable organisation (increase revenue, decrease costs, and achieve at least breakeven)			
Sub-programme	**Programme 2: Finance and Administration**			
Year 1 (2012-13)	Year 2 (2013-14)	Year 3 (2014-15)	Year 4 (2015-16)	Year 5 (2015-16)
▪ Identify additional sources of revenue - not subject to legislation ▪ Develop funding model proposal and present to Council ▪ Introduce new tariffs for services ▪ Develop a credit policy and implement in new year ▪ Clean up debtors book ▪ Implement regional debt collection process ▪ Liquidity planning (effective cash flow management) ▪ Analyse operating costs ▪ Start cost cutting campaign ▪ Develop pricing strategy ▪ Develop Capex strategy based on funding model ▪ Achieve unqualified audit (debtors, VAT, fixed assets)	▪ Achieve breakeven for the year ▪ Collect at least 90% of fees billed ▪ Debtors book collected ▪ Reduce operating expenditures (e.g. medical aid 60/40) ▪ Implement pricing strategy ▪ Follow up and drive legislative process for amendment ▪ Online account facility ▪ Merchant functionality ▪ Billed accounts ▪ Capital budget spent ▪ Operational cost analysis ▪ Liquidity plan ▪ Budget variance ▪ Audit results ▪ Payment of service providers	▪ Collect at least 95% of fees billed ▪	▪ Collect at least 95% of fees billed	▪ Collect at least 95% of fees billed

5-Year Objective	To be a financially stable and sustainable organisation (increase revenue, decrease costs, and achieve at least breakeven)			
Sub-programme	**Programme 2: Finance and Administration**			
Year 1 (2012-13)	**Year 2 (2013-14)**	**Year 3 (2014-15)**	**Year 4 (2015-16)**	**Year 5 (2015-16)**
	▪ Performance scorecards for employees			

5-Year Objective	To ensure that adequate processes and systems are in place to effectively carry out the mandate of PSIRA			
Sub-programme	**Programme 2: Finance and Administration**			
Year 1 (2012-13)	**Year 2 (2013-14)**	**Year 3 (2014-15)**	**Year 4 (2015-16)**	**Year 5 (2015-16)**

Systems
▪ Develop IT strategy incl.
  - IT governance framework
  - IT systems architecture
  - Vendor management
  - Risk management
  - Information security
  - Business continuity
  - Value delivery
▪ Develop IT policies
▪ Develop exit plan from current vendors
▪ Implementation of IT governance, vendor management, information security, policies
▪ Implementation of business continuity plan
  - Site, hardware, licenses, processes, infrastructure performance monitoring
Processes
▪ Process reengineering (mapping As-Is, To-Be, RACIs, KPIs, templates
	Systems
	▪ IT infrastructure in place
	▪ Monitoring and refining of IT strategy implementation
	Processes
	▪ Process reengineering (mapping As-Is, To-Be, RACIs, KPIs, templates and tools, integration points) for 2nd priority processes
	▪ All new processes implemented
		▪ Ongoing monitoring and refinement (continuous improvement)	▪ Ongoing monitoring and refinement (continuous improvement)	▪ Ongoing monitoring and refinement (continuous improvement)

5-Year Objective	To ensure that adequate processes and systems are in place to effectively carry out the mandate of PSIRA			
Sub-programme	Programme 2: Finance and Administration			
Year 1 (2012-13)	Year 2 (2013-14)	Year 3 (2014-15)	Year 4 (2015-16)	Year 5 (2015-16)
and tools, integration points) for 1st priority processes				

PROGRAMME 3: COMMUNICATION AND TRAINING

5-Year Objective	To ensure full understanding of the industry and to begin to respond to industry needs and challenges, so as to be recognised as "the industry experts"			
Sub-programme	Programme 3: Communication and Training			
Year 1 (2012-13)	Year 2 (2013-14)	Year 3 (2014-15)	Year 4 (2015-16)	Year 5 (2015-16)
Research capability ▪ Identify knowledge areas where research is required ▪ Develop capacity building strategy and plan to fulfil research needs ▪ Start research for top priority topics Industry participation ▪ Define objectives for industry participation ▪ Define key communication messages ▪ Identify industry forums for participation ▪ Active participation in key industry forums ▪ External communication ▪ Develop marketing and communication strategy	Research capability ▪ Research capability in place ▪ Initial research and knowledge available Industry participation ▪ Actively driving the agenda of key industry forums ▪ Develop industry awards programme External communication ▪ Communication feedback and response process in place ▪ Initial communication e.g. - Quarterly publication - Website enhancement - Roadshows - Radio talk shows and other media platforms - Brochures, flyers, billboards	▪ Review and refinement of strategies (capacity building, industry participation, communication) ▪ Use of research and knowledge to improve internal processes based on customer needs ▪ Use of research and knowledge to influence industry policy and regulatory framework ▪ Continuous communication with stakeholders	▪ Review and refinement of strategies (capacity building, industry participation, communication) ▪ Use of research and knowledge to improve internal processes based on customer needs ▪ Use of research and knowledge to influence industry policy and regulatory framework ▪ Continuous communication with stakeholders	▪ Review and refinement of strategies (capacity building, industry participation, communication) ▪ Use of research and knowledge to improve internal processes based on customer needs ▪ Use of research and knowledge to influence industry policy and regulatory framework ▪ Continuous communication with stakeholders

5-Year Objective	To ensure full understanding of the industry and to begin to respond to industry needs and challenges, so as to be recognised as "the industry experts"			
Sub-programme	**Programme 3: Communication and Training**			
Year 1 (2012-13)	**Year 2 (2013-14)**	**Year 3 (2014-15)**	**Year 4 (2015-16)**	**Year 5 (2015-16)**
and plan (incl. publication/website) ▪ Initial implementation of communication strategy and plan	- Training ▪ Submission of Operational Policy to Council ▪ Accredited training providers ▪ Internal training workshop ▪ Training on PSIRA Mandate ▪ PAJA Training ▪ Ethics Training ▪ Training on minimum information standards ▪ PMS Training ▪ Training reports and courses submissions			

5-Year Objective	To ensure meaningful and fruitful engagement with all stakeholders			
Sub-programme	**Programme 3: Communication and Training**			
Year 1 (2012-13)	**Year 2 (2013-14)**	**Year 3 (2014-15)**	**Year 4 (2015-16)**	**Year 5 (2015-16)**
▪ Develop stakeholder map ▪ Develop and approve stakeholder engagement plan ▪ Initiate implementation (identify initiatives under PSIRA's control for quick wins) ▪ Engage all stakeholders for joint approval of plans ▪ Integrate research outputs into stakeholder engagement plan ▪ DHA access in place ▪ Develop SAPS integration	▪ SAPS integration (CFR) in place ▪ DoL integration in place ▪ CRM function/capability in place ▪ End-users feedback mechanism in place (e.g. ombudsman, call centre, toll free #) ▪ Alignment with Consumer Protection Commission (processes in place)	▪ PSIRA database/IT systems integrated with other stakeholders ▪ End-users forum in place ▪ Ongoing review and refinement of CRM function/capability ▪ SAPS integration (CRC) in place (2014)	▪ Ongoing review and refinement of CRM function/capability ▪ Continuous engagement with stakeholders	▪ Ongoing review and refinement of CRM function/capability ▪ Continuous engagement with stakeholders

5-Year Objective	To ensure meaningful and fruitful engagement with all stakeholders				
Sub-programme	Programme 3: Communication and Training				
Year 1 (2012-13)	Year 2 (2013-14)	Year 3 (2014-15)	Year 4 (2015-16)	Year 5 (2015-16)	
specs (CRC and CFR) ▪ Develop DoL integration specs ▪ Interim CRM function/capability in place incl. registrations ▪ Engage with Consumer Protection Commission					

PROGRAMME 4: CORPORATE SERVICES

5-Year Objective	To ensure that PSIRA has competent and skilled employees that are able to execute their tasks effectively				
Sub-programme	Programme 4: Corporate Services				
Year 1 (2012-13)	Year 2 (2013-14)	Year 3 (2014-15)	Year 4 (2015-16)	Year 5 (2015-16)	
▪ Develop, approve and implement HR strategy ▪ Organisational structure designed and approved ▪ Jobs profiles reviewed, evaluated and graded for positions affected by restructuring ▪ Organisational restructuring completed ▪ Complete skills audit to identify skills gap and required training programmes ▪ Develop and implement performance management framework ▪ Interim performance reviews ▪ Develop learning and	▪ Develop succession plans ▪ Completion of first cycle of performance management framework ▪ Phased implementation of learning and development strategy ▪ Identify critical skills and develop retention strategy	▪ Phased implementation of learning and development strategy ▪ Implement retention strategy for critical skills	▪ Phased implementation of learning and development strategy ▪ Implement retention strategy for critical skills	▪ Phased implementation of learning and development strategy ▪ Implement retention strategy for critical skills	

5-Year Objective	To ensure that PSIRA has competent and skilled employees that are able to execute their tasks effectively			
Sub-programme	**Programme 4: Corporate Services**			
Year 1 (2012-13)	**Year 2 (2013-14)**	**Year 3 (2014-15)**	**Year 4 (2015-16)**	**Year 5 (2015-16)**
development strategy ▪ Develop and implement EAP				

5-Year Objective	To ensure that the authority has a culture of learning embracing excellence that supports our vision and strategy			
Sub-programme	**Programme 4: Corporate Services**			
Year 1 (2012-13)	**Year 2 (2013-14)**	**Year 3 (2014-15)**	**Year 4 (2015-16)**	**Year 5 (2015-16)**
▪ Develop and implement change management strategy to support turnaround ▪ Design culture architecture (what culture we want to build) ▪ Translate culture architecture into desired behaviours ▪ Identify symbolic actions for initial roll-out ▪ Identify and roll-out changes supporting the culture (e.g. meetings, communication, hotline, naming protocols) ▪ Cascade architecture and behaviours to departments ▪ Translate culture into corporate identity	▪ Incorporate cultural/behavioural elements into performance management framework ▪ Conduct climate and morale survey ▪ Implement recommendations from results of employee survey	▪ Ongoing culture maintenance and reinvigoration interventions	▪ Ongoing culture maintenance and reinvigoration interventions	▪ Ongoing culture maintenance and reinvigoration interventions

9. Resource Requirements

Implementation of the strategic priorities will require a concerted effort from all employees of PSIRA as well as the creation of new functions (e.g. research, CRM, BIU) to enable the change in strategic direction. As indicated under Strategic objective 6 – Effective Organisational Structures with Skilled, Competent and Motivated Workforce, a key initiative will be the design and implementation of a new organisational structure focusing on having the right people in the right place to perform the right tasks.

The establishment of the new functions will result in new positions being created within the new structure and could therefore mean an increase in the overall manpower level. However, the organisational restructuring will be accompanied by a process reengineering exercise and by increased process automation through improved IT functionalities (as indicated under Strategic objective 5 – Efficient and Effective Processes and Systems). The expectation is that more effective processes and systems will reduce workload on the core processes and will therefore enable the redeployment of personnel into other areas of the business, resulting in a limited net effect on the overall number of employees.

PSIRA will also focus on improved revenue management, including the identification and realisation of additional sources of revenue that are not subject to legislation, as indicated in Strategic objective 3 – Financial Management and Funding. Tariffs, which have not been increased at all for several years, will also be reviewed through the new pricing strategy. These combined initiatives should result in an increase in revenue with the net effect of reducing the proportion of personnel cost as a percentage of revenue.

Finally, the funding model of PSIRA is currently being reassessed through the legislative review. PSIRA will contribute to the review by evaluating the financial impact of different scenarios (e.g. self-funded through own income vs grant allocation from National Treasury) and recommend the model that will better ensure sustainability of the Authority while improving service delivery.

10. Risk Management

Implementation of the strategic priorities presents some key risks that need to be mitigated and managed. The table below outlines the key risks that have been identified, their likelihood of materialising and the potential impact on strategic execution, as well as the proposed mitigation strategies.

Key Implementation Risks and Mitigation Strategies

Risk Areas	Description	Likelihood	Impact	Mitigation Strategies
Funding	Insufficient funding to implement initiatives	High	High	▪ Run scenarios and develop new funding model ▪ Investigate new sources of revenue ▪ Improve revenue management ▪ Analyse operating costs and start cost cutting campaign ▪ Investigate low cost options and limit funding requirements for implementation, including phasing and delay of initiatives
Programme	Implementation falls	Medium	High	▪ Establish Programme Management

Risk Areas	Description	Likelihood	Impact	Mitigation Strategies
Management	behind schedule and no corrective actions are taken			Office to coordinate, supervise and report on progress vs milestones ▪ Develop detailed implementation plans for each priority (charters, timelines, milestones, resources) ▪ Conduct regular programme review meetings
Human Resources	Inadequate resources to implement initiatives (numbers and skills)	Medium	High	▪ Fast-track reengineering and automation of resource intensive processes to free resources ▪ Optimise resource allocation through PMO ▪ Investigate external implementation support
Stakeholder Cooperation	Stakeholders unwilling or too slow to respond	Medium	High	▪ Develop stakeholder map and engagement plan ▪ Fast-track engagement with key stakeholders ▪ Leverage Council to influence stakeholders ▪ Allow for lags into implementation plans
Organisational Commitment	Employees do not buy-in to the turnaround strategy	Low	High	▪ Communicate the strategy and seek input and feedback ▪ Conduct change management interventions to address areas of concern ▪ Implement benefits tracking system through PMO to demonstrate and share success ▪ Implement quick-wins and generate momentum

11. Performance Management

One of the key outcomes in the Strategic Plan was the need to reposition human capital to ensure alignment of the Human Resources Strategy with the overall organisational strategy contained in the Strategic Plan through the review of the organisational structure, the redevelopment of job profiles and the evaluation of such review/redeveloped job profiles as well as the development and implementation of a performance management system (PMS). A performance management system entails a framework that describes and represents how an organisation's cycle and processes of performance planning, monitoring, measurement, review, reporting and improvement will be conducted, organized and managed, including determining the roles of the different role-players.

In 2011/12, the Executive management entered into performance agreements, with a view to further cascade performance agreements organisation wide by 2012/13. The implementation of a Performance Management Framework will allow PSIRA to collect, process, organize, analyse, audit, reflect and report on performance information. It will also allow PSIRA to take practical steps to improve its performance. This Framework constitutes the performance system of

PSIRA, together with the Performance Management Policy, Performance Agreements and supporting tools.

The Director, as Chief Executive, annually enters into a Performance Agreement with PSIRA as represented by Council. The Director signs the agreement with the Chairperson of Council and Senior Managers sign performance agreements with the Director. The rest of the employees signing agreements with their respective managers. The Performance Agreements are based on Strategic Plan and Operational Plans.

A performance appraisal system of Senior Managers and managers provides for quarterly and annual performance appraisal. The vertical cascade linkage is a downward cascading which links various Organisation process outputs with those of individuals in planning, monitoring progress and evaluation. The diagram below help to clarify the cascading linkages. According to the strategic and operational levels, the initial parts of the strategic component refer more to the organisation while the lower parts of the operational levels are largely for the individuals.

Performance management framework

Strategic Plan	→	**Director's Performance Agreement** PSIRA Objectives, Outputs and Targets to be Achieved
Operational Plans	→	**Senior Manager's Performance Agreement** Departmental Objectives, Outputs and Targets to be Achieved
Divisional Plans	→	**Manager's Performance Agreement** Divisional Objectives, Outputs and Targets to be Achieved
Individual Performance Plans	→	**Employee's Performance Agreement** Employee's Objectives, Outputs and Targets to be Achieved

12. Financial Strategy and Medium term Budget

12.1 Financial Strategy

The purpose of a financial strategy is to ensure that the Authority is financially sustainable, with adequate financial resources to support or fund program identified in the strategic plan. The Authority's financial strategy encompasses various elements such as:

- Broadening our revenue base thus ensuring that the Authority has multiple sources of income and ways of generating income
- Regularly review of tariffs and fees
- Long term financial planning informed by strategic direction, and programs
- Budgetary systems that control expenditure
- Having cutting-edge technology that supports financial systems
- An effective supply chain management system that optimises operational expenditure
- Effective working capital management

The Authority is self funded without any form of government funding. Its revenue streams are annual fees, registration fees, fines issued in terms of code of conduct enquiries, and other disbursement fee on a cost recovery basis. As discussed in previous sections, the funding of the Authority from the industry itself poses a risk of not meeting the targeted revenue due to over reliance on the annual fee income. The most significant risk is the impact of economic downturn. This factors contribute to the volatility revenue.

In order to mitigate this risk, the 2010 Amendment Bill proposes funding of the Authority through appropriation by Parliament. The funds will mainly b earmarked for funding of capital expenditure and significant projects, such as renewal of registrations.

The medium term budget is presented in the next section.

12.2 Historic Financial performance

Since 2006/2007, the Authority has been posting deficits with the exception of 2007/2008, when the organisation barely made a small surplus of R676 000. These deficits are mainly ascribed to rising expenditure while revenue remained stagnant, as a result of not reviewing the annual fees. The poor financial performance has impacted on the organisation to expand in terms of its human capital, national geographic footprint as well as investment in infrastructure. The table below presents financial performance over:

R'000	2003/2004	2004/2005	2005/2006	2006/2007	2007/2008	2008/2009	2009/2010	2010/2011
Revenue	44 409	48 888	53 840	58 533	95 017	84 420	95 914	97 927
Operating expenditure	32 636	41 361	50 302	60 492	94 341	96 804	98 167	121 679
Surplus / (deficit)	11 773	7 527	3 538	-1 959	676	-12 384	-2 253	-23 752

12.3 5 year Revenue estimates

The annual fees were reviewed in December 2011, the last review having been done only in 2002. The revised fees came into effect in January 2012. In line with the financial strategy,

annual fees will be reviewed on an annual basis. The estimated revenue for the medium term is presented below:

REVENUE	2012/2013	2013/2014	2014/2015	2015/2016	2016/2017
Annual Fees - Service Providers	76 827 834	80 669 226	84 702 687	88 937 821	93 384 712
Business fee	*38 208 750*	*40 119 188*	*42 125 147*	*44 231 404*	*46 442 974*
Security Officers	*38 619 084*	*40 550 038*	*42 577 540*	*44 706 417*	*46 941 738*
Annual Fees - Security Officers	38 115 084	40 020 838	42 021 880	44 122 974	46 329 123
Sundry Income	1 284 100	1 348 305	1 415 720	1 486 506	1 560 832
Training income	17 544 825	18 422 066	19 343 170	19 343 170	19 343 170
Fine income	13 020 000	13 020 000	13 671 000	14 354 550	15 072 278
Registration fee (Security Officers)	14 400 000	15 120 000	15 876 000	16 431 660	17 015 103
Registration fee (Security Providers)	4 500 000	4 725 000	4 961 250	5 209 313	5 469 778
Interest Income - Receivables	360 000	360 000	360 000	360 000	360 000
Penalties - Receivables	6 600 000	6 600 000	6 930 000	7 276 500	7 640 325
Investment Income	472 020	845 561	893 816	766 521	782 668
Disposal of assets	5 000 000	-	-	-	-
Total revenue	**178 123 863**	**181 130 996**	**190 175 523**	**198 289 015**	**206 957 988**
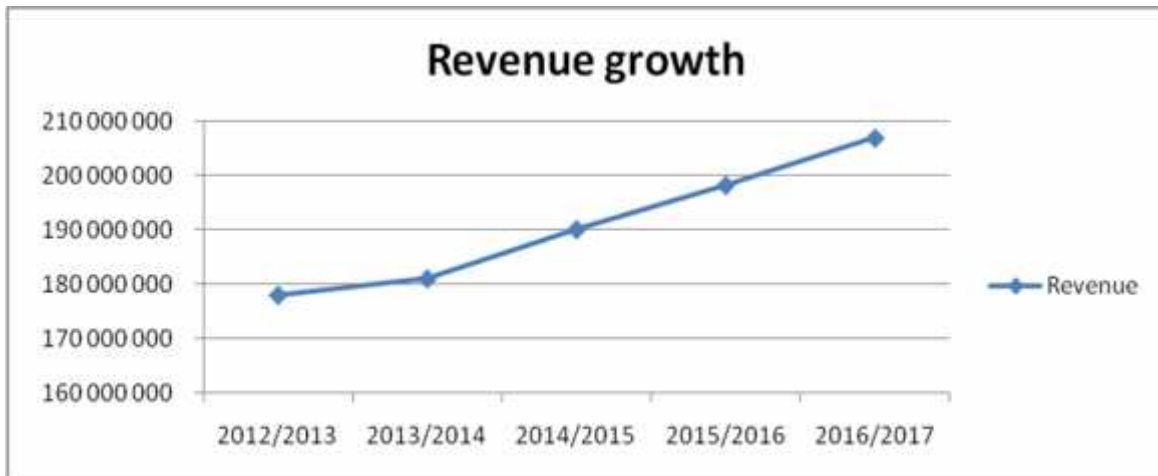
12.4 5 year expenditure estimates

Operational Expenditure per strategic objective:

Programmes	2012/2013	2013/2014	2014/2015	2015/2016	2016/2017
Industry Stewardship (Knowledge and Advocacy)	5 748 397	6 098 857	6 428 298	6 742 262	7 074 082
Stakeholder and Customer Relationship management	20 235 459	21 445 064	22 965 533	24 023 197	25 148 090
Financial management and Funding	42 486 723	39 920 676	35 141 470	33 804 193	39 541 450
Service delivery (Effective regulation)	69 825 077	72 719 468	80 137 816	93 207 108	89 592 991
Efficient and effective processed and systems	13 964 904	17 081 563	20 399 320	14 340 867	19 653 189
Effective Organisational Structures and Workforce	4 502 420	4 378 038	4 642 131	4 657 277	4 921 200
Enabling environment	16 373 486	17 666 556	18 898 212	19 041 791	19 599 053
Total expenditure	**173 136 466**	**179 310 221**	**188 612 780**	**195 816 694**	**205 530 056**

Operational Expenditure per programme:

Programmes	2012/2013	2013/2014	2014/2015	2015/2016	2016/2017
Programme 1 : Law Enforcement	66 029 573	73 949 801	80 749 715	85 375 076	89 592 991
Programme 2: Finance and Administration	60 247 131	55 771 906	54 928 891	55 977 091	59 194 639
Programme 3: Communication and Training	25 983 855	27 543 921	29 393 831	30 765 459	32 222 172
Programme 4: Corporate Services	20 875 906	22 044 593	23 540 343	23 699 068	24 520 254
Total	**173 136 466**	**179 310 221**	**188 612 780**	**195 816 694**	**205 530 056**
Revenue	178 123 863	181 130 996	190 175 523	198 289 015	206 957 988
Surplus	**4 987 397**	**1 820 775**	**1 562 743**	**2 472 321**	**1 427 932**

12.5 Long term Infrastructure and Capital asset Plan

The capital budget responds to the operational requirements of the Authority. During 2011/12, there was significant capital spending on IT infrastructure, this included procurement of ICT equipment such as servers, wide area network and computer equipment. This investment laid the foundation for further improvement in information technology. Building on the progress made so far, the first three years of the medium term will be dedicated to development of an integrated ERP solution encompassing, registration, law enforcement, legal services and debt collection.

Capital investment	2012/2013	2013/2014	2014/2015	2015/2016	2016/2017
Motor vehicles	350 000	0	0	0	0
Buildings infrastructure	50 000	0	0	0	0
Computer equipment	2 245 500	162 000	309 000	309 000	309 000
Software	6 760 000	6 837 000	7 349 775	0	0
Office equipment	677 500	0	0	0	0
Office furniture	1 004 940	61 836	71 700	71 700	71 700
Leasehold improvements	745 000	0	0	0	0
Total capital expenditure	**11 832 940**	**7 060 836**	**7 730 475**	**380 700**	**380 0**

12.6 Planned disposal of assets

The corporate offices situated at Pretoria will be sold during 2012/13. There are no further disposals in the outer years.

13. Information Technology Strategy

The overarching goal of the Information Technology department is pragmatic enablement of the business and the PSIRA through application of IT assets and capabilities. This goal is derived from the PSIRA's vision i.e. "To be recognised as an excellent regulator of private security in South Africa by all our stakeholders". In the medium term, the IT department shall, in line with the PSIRA's statement of intent, professionalize the IT services.

13.1 Information Technology context

IT will strive to adopt leading practices in the use of technology in order to support the PSIRA in executing its mandate. Building in this objective and to better define the role of IT at PSIRA, a set of goals have been defined. These statements are an attempt to align IT and business goals.

- To ensure confidentiality and integrity of data within our computing resources
- To ensure a reliable IT infrastructure for operations and communication
- To provide a realistic IT organisation and governance structure
- To provide a reliable service support to business
- To manage risks as it pertains to Information technology resources

To enable effective IT governance, the PSIRA has established an IT Steering Committee (subcommittee of Exco), which works closely with business to ensure that IT is aligned with business needs, services are reliable, resilient and responsive to change. IT governance is an important component for overall management of IT at PSIRA. In this regard, the PSIRA has adopted CobiT as its IT governance framework.

13.2 Business continuity

IT ensures minimal business impact in an event of IT service interruption by ensuring:

- That a service continuity plan and supporting system recovery procedures, and alternative manual procedures are maintained;
- That regular testing of IT contingency plans takes place
- awareness and communication of service continuity plan to business.

14. Conclusions

Through the implementation of this turnaround strategy, PSIRA is confident of its ability to improve service delivery and provide a strong contribution to national interest by improving the fight against crime and ensuring that all the people of South Africa are and feel safe.