



23 August 2012

**FOLLOW-UP MEETING WITH PRIVATE SECURITY INDUSTRY REGULATORY AUTHORITY  
(PSIRA) ON 2012/13 BUDGET AND STRATEGIC PLAN**

**1. INTRODUCTION**

This paper deals with the concerns of the Portfolio Committee on Police on PSIRA's 2012/13 budget and Strategic Plan. The objective of the paper is to remind the Portfolio Committee about the questions/concerns of the Committee that were raised regarding the PSIRA's presentation on the 18<sup>th</sup> of May 2012.

**2. COMMITTEE'S QUESTIONS THAT WERE ASKED IN THE MEETING**

The following questions were raised by members of the Committee regarding the PSIRA's 2012/13 budget and Strategic Plan:

- The information in the presentation with regard to the Strategic Plan looks promising on paper but how can these plans be executed without the requisite capacity?
- What is the actual revenue collection figure targeted (not only the percentage (85%))?
- What is happening regarding the Head of Human Resources that resigned before he/she was fired? Is there a criminal case against that person?
- How many security companies have been blacklisted and are they still operating?
- What is PSIRA aiming to do to ensure that blacklisted companies cease to operate?
- What topics are covered by the PSIRA training programme and who conducts the training?
- How many employees are allocated to each PSIRA programme?
- The cost of the Consultants has doubled. Who are they and what were they contracted for?
- Did National Treasury agree with fee increases as anticipated by PSIRA? Were increases linked to inflation rate increases?

**3. COMMITTEE'S CONCERNS**

The following concerns were raised by the Committee:

- There are no systems in place specifically to address PSIRA's problems with regard to financing and sustainability and thus it seems as if PSIRA is budgeting for a deficit.
- The Committee had a concern that the revenue surplus had dwindled over the years to a point where the current deficit is R23 million.
- PSIRA is renting a building for R1 million a month which seems to be an unacceptably high rental.



- The number of employees had only increased by 5% but there was a major salary increase. The salary cost indicated a significant increase of 34% in basic salaries in one year.
- Three million rands in bad debt had increased to R20 million in one year.
- There is poor interaction between PSIRA and other stakeholders (such as companies in the private security industry) as the interaction was only limited to SAPS and Intelligence agencies.
- Levies are a form of a tax and could only be imposed with the consent of the Minister.

#### **4. OUTSTANDING ISSUES**

The Private Security Industry Regulatory Authority could not answer and address some question/concerns raised by the Committee in that meeting. The following issues were outstanding and PSIRA was asked to respond to them at a later stage:

- The number of blacklisted security companies.
- The number of firearms in the security agencies.
- The progress on the new levy implementation.

Note that it was requested that PSIRA provide written responses to some of the questions that they could not answer during the meeting. The responses were supposed to reach the Committee on or before 25 May 2012. The responses were received with the exception of the three identified outstanding issues.

#### **5. CONCLUSION**

This report provides an overview of the questions and concerns that were raised by the Committee on PSIRA 2012/13 budget and Strategic Plan. It is therefore expected of PSIRA to provide a comprehensive report on the outstanding issues.