

Annual Report 2009/2010

Private Security Industry Regulatory Authority





PSIRA'S Vision

PSIRA's **Vision** is to be a world-class regulator of the private security industry in South Africa.

PSIRA'S 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.

PSIRA'S Values

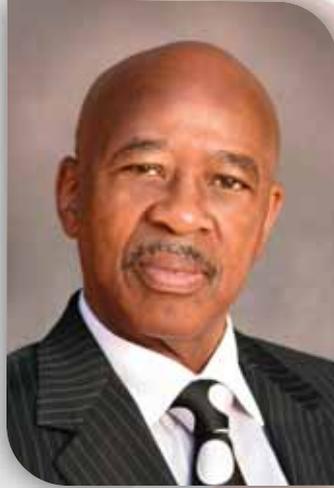
The values that PSIRA aspires to live out at all times are:

- Professionalism
- Ethical conduct
- Fairness
- Transparency
- Accountability

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Council of the Authority



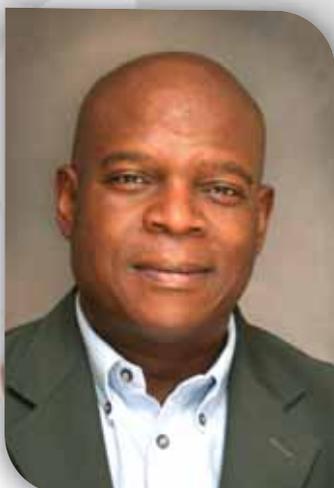
Chairman
Mr Thula Bopela



Vice Chairperson
Ms Zelda Holtzman



Council Member
Mr Anton Wild



Council Member
Mr George Mnisi



Council Member
Commissioner Anwar Dramat

Chairperson's Foreword

1. Situation Analysis

The private security industry as at February 2010 has expanded to 1.4 million security officers, while the personnel of the Private Security Industry Regulatory Authority (PSIRA) has remained almost unchanged.

PSIRA was without Council for some time and therefore lacked strategic direction. The Honorable Minister of Police, Mr N. Mthethwa, then appointed a Ministerial Intervention Task Team (MITT) to look into factors that were causing the Authority to malfunction, and recommend solutions. The current Council was appointed in January 2010.

The analysis revealed that the organisation is in a critical financial position and in dire need of re-alignment in order to conform to the PSIRA Act of 2001. The high level of internal mismanagement within the Authority has meant that the new Council's first task will be to stabilise the organisation before it can effectively regulate the security industry.

Council decided to focus its efforts on achieving the short-term goal of creating a safe and well-regulated security industry for the 2010 World Cup. This entailed ensuring that the security companies selected to render security services used security officers who are registered with PSIRA, and that the security officers they employed are legitimate, and have attained acceptable levels of training.

Since we have been appointed as the new Council, we have approved the development of a new corporate identity in line with the legal mandate of the Authority.

2. The Performance Delivery Environment

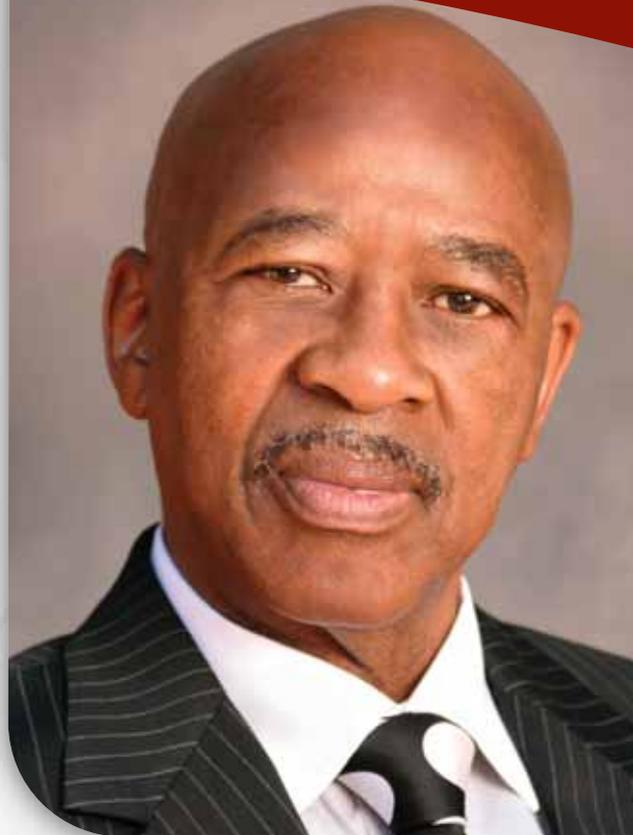
PSIRA is currently underperforming in terms of what it needs to do to achieve its objective, that being the effective regulation of the security industry. Various factors have contributed to this, chief of which was the absence of Council and Senior Management direction. PSIRA's finances will also have to be brought to the level where they conform to the Public Finance Management Act (PFMA).

Concerns expressed by the Honorable Minister of Police, Mr N. Mthethwa, regarding the threat posed by the security companies to national security are being addressed as a matter of urgency. The Council has put in place an Integrated Investigative Task Team (IITT) to address the Minister's concerns.

The Strategic Plan envisaged here was a short-term one, covering the period within which the FIFA World Cup took place. The detail that follows covers the specific plans that make up this short-term strategy. The strategy is to revive PSIRA and put in place the organisational structure and plans to achieve this within a period not exceeding 60 days.

3. The Organisational Analysis

Hitherto PSIRA has been using an organisational structure that is not crafted according to the provisions made in Section 14 (1) of the PSIRA Act of 2001. This is illegal, and the Council has embarked on putting together an organisational structure that is made up of a Director and three Deputy-Directors who will create the necessary divisions required to carry out PSIRA's objective.



A handwritten signature in black ink that reads "Thula Bopela".

Mr Thula Bopela
Chairman of the Council

Executive Summary

The Private Security Industry has grown at such a rapid pace that PSIRA has been constantly challenged to build capacity to match the attendant increase in its regulatory functions.

Of note, it is worth mentioning that the number of employee security officers deployed [registered and actively employed] within the industry has increased from **375 315** to **387 273** between the previous financial year and the period under review. The number of registered active security businesses has increased from **6 392** to **7 459**. The following is a summary of the key activities, achievements and performance of the Authority that are elaborated upon in the main report.

- 1.1 In the period under review, **6 971** inspections were conducted on existing security services providers. These inspections led to **1 568** security services providers being charged for contravening various provisions of the Act, Code of Conduct for security Service Providers and regulations made under the Act. Compared to the previous year, the number of Improper Conduct dockets opened against security business has increased.
- 1.2 A total of **522** routine inspections were conducted at accredited security training centers. A total of **16** centers changed businesses addresses and such changes were confirmed by PSIRA. The Authority received **280** applications from training instructors for accreditations, of which **255** were approved and **25** rejected. During the period under review, the Authority processed **571 826** course reports.
- 1.3 Collaboration with the South African Police Service (SAPS) has also been necessary to attain the objects of the Authority. During the period under review, **177** cases were laid with the SAPS for fraud, theft and other criminal offences against unregistered security business rendering security services. There are currently **962** criminal cases pending with the SAPS and the Law Enforcement Division has been following up with the SAPS and in some cases with the Department of Justice regarding progress on the investigations. Improved co-operation between PSIRA and the SAPS has led to the establishment of the Monitoring and Audit Unit, which deals exclusively with criminal cases opened by the Authority.
- 1.4 In order to establish and strengthen real working relations with other state organs, PSIRA has received and assisted with numerous enquires pertaining to prospective security service providers from State Tender Boards and other stakeholders. These enquiries ensure that only those security service providers whose full particulars are valid with the Authority can operate in this industry. A total of **3985** enquiries were received and processed.
- 1.5 The Authority received **1 261** enquiries from the Firearms Registry in respect of applications for firearms by security service providers. The enquiries are in terms of Regulation 13(5) and 13(6) of the Regulations made under the Act, which provides that the security service provider requiring the use of a firearm must provide a suitable firearm for that purpose. It should be noted that the regulations have addressed the problems which arose when employee security officers were required to provide their own firearm as one of their conditions of employment.
- 1.6 Personal and telephonic enquiries were handled by the Authority's Complaints and Help Desk. The enquiries involved a wide range of issues, *inter alia*, registration procedures and fees, registrations status of companies and procedures relating to appeals.
- 1.7 During the year under review, the Authority served **1 144** charge sheets and **1 368** summonses in terms of the Improper Conduct Enquiries. Flowing from these summonses, **683** successful prosecutions were concluded. The variance between **1 144** charge sheets and the **1 368** summonses served is due to the fact that some of the summonses served are from the previous year and not the year under review. Furthermore, the variance between **1 368** summonses served and **683** cases finalised could be a result of various reasons such as postponements and respondents being untraceable.
- 1.8 The Authority received **11** appeals, of which **10** were dismissed and **1** was upheld by the Appeals Committee. PSIRA also received a total of **708** appeals from individuals, of which **451** were dismissed and **317** were upheld by the Appeals Committee.
- 1.9 The Authority has posted a deficit budget.
- 1.10 Significant efforts have been made to enhance the administration and its database to generate information on time.
- 1.11 The Human Resource Department has been involved in determinations of best practices and the development of the Human Resource strategy across the different divisions of PSIRA. Strategic focus of the Human Resource Department included transformation, organisational development, reward management, manpower planning, leveraging human resources technology and human resources measurement.

Core Business Report

1 April 2009 - 31 March 2010



Inspectorate Department

Inspection of Security Businesses

In terms of the Law Enforcement Department's operational policy, each inspector must conduct a minimum of 20 inspections per month. This target is considered reasonable taking into consideration all the other functions associated with the position of an inspector. The targets of individual inspectors are reduced under certain circumstances, such as special investigations, annual leave, sick leave, etc.

As at the end of March 2010, there were **7 459** registered and active security businesses as per the Authority's database. During the period 1 April 2009 to 31 March 2010, a total of **6 971** regulatory inspections of security businesses were conducted, compared to **6 453** inspections in the previous financial year.

The regional breakdown was as follows:

Region	Number of Inspections
Head Office (NIT)	3 584
- Gauteng	2 178
- Mpumalanga	343
- Limpopo	548
- North West Province	238
- Free State/Northern Cape	277
Western Cape	782
Eastern Cape	449
KwaZulu-Natal	2 156
Total	6 971

A regional breakdown as far as the type of inspection conducted from 1 April 2009 to 31 March 2010, is as follows:

National Investigation Team	Gauteng	Mpumalanga	Limpopo	North West	Free State/ N/Cape	Total
Total number of routine/regulatory/ training/infrastructure/accreditation/ inspections conducted	2 178	343	548	238	277	3 584
First time inspections	458	92	129	21	98	798
Triggered inspections	591	46	66	49	59	811
Infrastructure inspections	542	76	225	38	84	965

National Investigation Team	Western Cape	Eastern Cape	KwaZulu- Natal	Total
Total number of routine/regulatory/ training/infrastructure/accreditation/ inspections conducted	782	449	2 156	3 387
First time inspections	170	73	278	521
Triggered inspections	94	114	429	637
Infrastructure inspections	142	92	379	613

It must be noted that “first time inspections” listed above refers to businesses that have not been the subject of an inspection from their date of registration. **These businesses are newly registered businesses.** “Triggered inspections” refers to complaints sourced via the help desk, telephonic, written or personal complaints, Internet, newspaper articles, debtor clerks, etc. In terms of the Law Enforcement Department’s operational policy, priority must first be given to complaints and infrastructure inspections.

Routine inspections are conducted, depending on the particular area visited, on the basis of when last an inspection was conducted at a particular security service provider.

Registration information pertaining to the number of businesses registered nationally in the different categories or classes of security service providers is as follows:

Category of Security Service	Number of Businesses
01 – Security Guard (Industrial & Commercial)	5 628
02 – Security Guards – Cash in Transit	2 054
03 - Body guarding (CPO)	2 517
04 – Security Consultant	2 303
05 – Reaction Services	2 593
06 – Entertainment / Venue Control	2 782
07 – Manufacture Security Equipment	931
08 – Private Investigator	1 657
09 – Training	2 150
10 – Security Equipment Installer	1 864
11 – Locksmith / Key Cutter	652
12 – Security Control Room	2 277
13 – Rendering of Security Services	2 281
14 – Special Events	2 878
15 – Car Watch	1 895
16 – Other	414
17 – Insurance	160
18 – Security and Loss Control	137
19 – Fire Prevention and Detection	83
20 – Consulting Engineer	29
21 – Dog Training	4

* Note must be taken that a security business may be registered for a number of different security services listed above, but may not necessarily render all the particular security services for which it is registered.

Statistical information pertaining to the **different categories or classes of security service providers inspected** from 1 April 2009 to 31 March 2010 is outlined on the following page:

National Investigation Team

	Gauteng	Mpumulanga	Limpopo	North West Province	Free State & Northern Cape
Total Number of Routine/Regulatory/Training/ Infrastructure/ Accreditation Inspections conducted	2 178	343	548	238	277
Category or Class of Security Service Provider inspected					
Commercial/Industrial/Residential/Guarding or Patrolling	1 761	279	466	176	233
Assets in transit	18	6	28	5	6
Close protection services	85	1	31	31	10
Reaction or Response services and monitoring signals from security equipment (control room)	269	35	78	31	34
Ensuring safety and order on premises (special events)	67	2	33	10	13
Car watch or related activities	51	0	10	3	4
Providing advice on the protection of persons/ property (consultants/advisors)	31	1	13	14	10
Installing, servicing or repairing security equipment	87	18	63	31	16
Private investigators	43	3	38	6	5
Providing security training or instruction as well as accreditation	157	39	32	14	11
Providing services of a locksmith	35	1	6	2	3
Making persons or their activities available for rendering of security service (labour brokers)	15	1	0	3	0
In-House	33	4	11	2	7
Manufacturing, importing, distributing or advertising of monitoring devices	0	0	0	0	0

Western Cape/Eastern Cape/KwaZulu-Natal

	Western Cape	Eastern Cape	KwaZulu -Natal
Total Number of Routine/Regulatory/Training/ Infrastructure/Accreditation Inspections conducted	782	449	2156
Category or Class of Security Service Provider inspected			
Commercial/Industrial/Residential/Guarding or Patrolling	524	321	1 844
Assets in transit	10	23	116
Close protection services	14	15	244
Reaction or Response services and monitoring signals from security equipment (control room)	61	47	352
Ensuring safety and order on premises (special events)	7	29	176
Car watch or related activities	4	5	24
Providing advice on the protection of persons/ property (consultants/advisors)	8	18	123
Installing, servicing or repairing security equipment	106	51	171
Private investigators	9	18	68
Providing security training or instruction as well as accreditation	55	49	165
Providing services of a locksmith	53	14	38
Making persons or their activities available for rendering of security service (labour brokers)	0	0	3
In-House	21	26	67
Manufacturing, importing, distributing or advertising of monitoring devices	0	0	0

- On review of the statistical information presented on the previous page, note must be taken that certain security service providers may render more than one particular security service. One inspection conducted at a particular security business may therefore result in two or more categories or classes of security service being inspected. It must be noted that certain of the categories or classes of security service providers were not subjected to any inspections during the period under review. Taking into consideration the number of security service providers registered in a particular province, the number of inspectors and the policy regarding the number of inspections to be conducted in a particular month, security businesses are subjected to an average of one inspection every 12 months.

Statistical information pertaining to inspections conducted at large, medium and small businesses from 1 April 2009 to 31 March 2010 is as set out below. For the purpose of this statistical information, a small business is considered to employ fewer than 20 security officers, medium 21 to 50 security officers and large, 51 and above security officers.

Region	Number of Inspections			
	Small Businesses	Medium Businesses	Large Businesses	Infrastructure & Capacity
Head Office (NIT)	1 877	387	355	965
Western Cape	510	95	35	142
Eastern Cape	274	40	43	92
KwaZulu-Natal	1 201	266	310	379
Total	3 862	788	743	1 578

With reference to all the above statistics, the overall performance pertaining to inspections conducted for the period 1 April 2009 to 31 March 2010 is 105% compared to the target set. The regional breakdown is as follows:

Region	Target Number of Inspections	Conducted	Performance
NIT	3 380	3 584	106 %
Gauteng	2 079	2 178	105 %
Mpumalanga	364	343	94 %
Limpopo	436	548	126 %
North West Province	217	238	110%
Free State & Northern Cape	284	277	98 %
Western Cape	756	782	103 %
Eastern Cape	442	449	102 %
KwaZulu-Natal	2 060	2 156	105 %

In view of staff turnover, certain provinces did not reach the inspection target set.

Site Investigations

Site investigations form part of the Department's operational plan in order to, *inter alia*, verify the accuracy of information provided by security businesses to inspectors. These site investigations are at times also conducted in co-operation the SAPS, especially in cases where unregistered security officers were found, illegal immigrants are used or firearms are used in contravention of the requirements of the Private Security Industry Regulations. The following site investigations were conducted during the period under review:

National Investigation Team

A high number of site investigations were conducted by inspectors of the National Investigation Team, with some done in conjunction with the SAPS and also observed by the media. A total of 410 site investigations were conducted during the period under review.

Eastern Cape

A total of 77 site investigations were conducted during the financial year.

KwaZulu-Natal

Site investigations at 139 businesses were conducted during the period under review.

Western Cape

Site investigations were conducted at 120 different businesses during the period under review.

Improper Conduct Investigations

During the period 1 April 2009 to 31 March 2010, a total of **1 568** improper conduct dockets against security businesses were compiled compared to **1 302** dockets in the previous financial year. Even though there were a number of vacant positions, the inspectors managed to increase the number of dockets compiled compared to the previous financial year. The regional breakdown for the period under review is as follows:

Region	Number of Dockets
Head Office (NIT)	760
Western Cape	236
Eastern Cape	140
KwaZulu-Natal	432
Total	1 568

A further regional breakdown as far as Code of Conduct dockets against large, medium and small businesses from 1 April 2009 to 31 March 2010 is as follows:

Region	Number of Dockets		
	Small Businesses	Medium Businesses	Large Businesses
Head Office (NIT)	422	147	191
Western Cape	194	21	21
Eastern Cape	105	10	25
KwaZulu-Natal	270	73	89

The following number of Improper Conduct dockets were filed from 1 April 2009 to 31 March 2010 by the Law Enforcement Department:

Region	Number of dockets typed	Outstanding
Head Office (NIT)	799	425
Western Cape	168	5
Eastern Cape	130	0
KwaZulu-Natal	449	70
Total	1 546	500

A case list and progress report is kept in respect of all dockets opened and registered by the Law Enforcement Department. All progress in respect of the docket is captured in the progress report, from the original docket to the finalisation and outcome thereof. A motivation was submitted to appoint additional typists, including additional temporary typists to assist with the backlog for a period of 3 to 6 months at Head Office and KwaZulu-Natal. This is being addressed by the HR Department and appointments will be made in the next financial year.

Improper Conduct Investigation Dockets pertaining to Minimum Wages

One of the objectives of the Authority is to promote the protection and enforcement of the rights of security officers and other employees in the private security industry. A particular focus is to ensure that security businesses pay the prescribed minimum wages as determined by the Department of Labour in order to ensure that employee security officers are not exploited.

As at end-March 2010, there were 794 Improper Conduct dockets pending against security service providers for allegations that they failed to pay the statutory minimum wage to employee security officers. The regional breakdown was as follows:

Region	Number of Dockets
Head Office (NIT)	665
Western Cape	11
Eastern Cape	18
KwaZulu-Natal	100
TOTAL	794

While the Authority does have a close working relationship with the Department of Labour, a draft Memorandum of Understanding was also forwarded to the Department in an attempt to formalise our relationship and enhance enforcement of minimum conditions of employment legislation. This will include, *inter alia*, the sharing of information and evidence as far as employee exploitation is concerned as well as joint operations with the Department's Inspectorate.

Criminal Investigations

Regulatory inspections are also conducted to investigate and detect unregistered security businesses, as well as other criminal contraventions of the Act, for the purposes of opening cases against them with the South African Police Service.

As at 31 March 2010 a total of **962** outstanding criminal cases were pending with the South African Police Service, with these complaints laid by inspectors of the Authority.

During the period 1 April 2009 to 31 March 2010, **177** criminal cases were opened by inspectors of the Authority compared to **104** cases in the previous financial year.

The regional breakdown in respect of criminal cases opened during the period under review in the various offices of the Authority was as follows:

Region	Criminal Cases Opened
Head Office (NIT)	112
Western Cape	14
Eastern Cape	29
KwaZulu-Natal	22
Total	177

During the period under review, a total of **54** criminal cases were also finalised by the National Prosecuting Authority compared to **44** cases in the previous financial year. The regional breakdown in respect thereof was as follows:

Region	Successfully Finalised	Unsuccessfully Finalised	Total
Head Office (NIT)	26	0	26
Western Cape	1	0	1
Eastern Cape	22	5	27
KwaZulu-Natal	0	0	0
Total	49	5	54

As previously stated, there were a total of **962** criminal cases outstanding at 31 March 2010 with the South African Police Service countrywide. The regional breakdown is as follows:

Region	Criminal Cases Opened
Head Office (NIT)	629
Western Cape	160
Eastern Cape	18
KwaZulu-Natal	155
Total	962

The outstanding criminal case report was submitted to the SAPS, which undertook to follow up and submit feedback on all outstanding criminal cases. The Authority received confirmation that they are working on it, but no feedback was received. In view of the delays, the department conducted an audit with the assistance of the SAPS on the CAS system in respect of all criminal cases opened by inspectors or handed to the Audit and Monitoring unit of the SAPS. This audit is currently being completed and the number of criminal cases outstanding will be considerably less following the audit.

There is a close working relationship between the Authority and the Audit & Monitoring unit of the SAPS. This unit assists the Authority in investigations in which it requires that arrests are to be made. This unit plays an important role in the site inspection operations.

The Authority proposed the drafting of a standard operating procedure for the SAPS in respect of Authority related cases as per the Private Security Industry Regulation Act and Regulations. The SAPS undertook to compile the standard operating procedure and the Authority requested to provide input in the document. We are awaiting feedback from the SAPS in respect of the status of this document.

Firearm Applications

The Authority provides information to the Firearms Registrar pertaining to security service providers applying for firearm licenses. This information includes, *inter alia*, the following:

- The registration status of the security business;
- Number of security officers employed by the business and their registration and training status; and
- Annual amounts due to the Authority.

During the period under review, a total of **1 261** firearm application enquiries were received from the Firearms Registrar and finalised compared to **978** applications in the previous financial year. Of the applications processed, the Firearms Registrar was informed that: **166** security service providers owed annual amounts or fines to the Authority; **181** of the applicants failed to inform the Authority of changes; **58** persons responsible for the firearms were not linked to the business, registered or trained; **45** businesses were not lawfully registered; **9** owners/directors/members were not trained or registered; **1** business was placed under voluntary liquidation; and in **109** cases, the business applied for more firearms than their staff complement. A total of **692** applicants were cleared by the Authority for consideration by the Central Firearms Registry.

The Authority, in conjunction with the Central Firearms Registry compiled a draft policy agreement to allow for the establishment of a Security Industry Firearms Regulation Committee that will endeavor to establish closer co-operation between the SAPS and the Authority. This will include, *inter alia*, database alignment and regular sharing of information to confirm whether businesses still qualify for licenses after they had been obtained, i.e. whether registrations are still valid, number of security officers employed, etc. The Authority made certain amendments to the draft policy document and submitted it to the CFR for signature. The Authority is still awaiting feedback from the CFR in respect thereof.

Charge Sheets and Summonses Issued

During the period 1 April 2009 to 31 March 2010, a total of **1 435** charge sheets and **1 393** summonses in respect of **improper conduct cases** were prepared by the Authority compared to **1 463** charge sheets and **1 604** summonses for the same period last year.

These summonses and prosecutions bear no reference to the businesses charged as the charge sheets and summonses issued by the Authority could be from previous years and not necessarily from the year under review. Furthermore, the variance between summonses served and the total successful prosecutions could be due to numerous reasons, such as postponements and respondents not being traceable.

Further, the following number of charge sheets and summonses were served during the period under review:

Region	Chargesheets	Summonses
Head Office (NIT)	739	786
Western Cape	103	208
Eastern Cape	102	54
KwaZulu-Natal	200	320
Total	1 144	1 368

The difference between the numbers issued and served can be as a result of untraceable security service providers or charge sheets and summonses issued in the last quarter of 2009/2010 financial year and which are carried over to the next financial year.

Annual Fees and Fines Collected

During the period 1 April 2009 to 31 March 2010, a total of **R581,311.45** annual fees and **R118,518.99** in fines were collected by inspectors of the Authority compared to **R813,240,16** annual fees and **R246,049.73** in fines collected the previous financial year.

Untraceable Security Service Providers

Following on from the issuing of charge sheets and/or summonses from 1 April 2009 to 31 March 2010, **112** security service providers could not be traced by Inspectors of the Authority compared to a figure of **127** in the previous financial year. Steps taken to trace these security service providers include, *inter alia*:

- Visits to known addresses of the businesses, as well as that of the owners/directors/members, etc;
- Enquiries at neighbouring businesses; and
- Calling all numbers available on the Authority's database.

Staff Complement of the Law Enforcement & Training Department

Inspectors

There were **37** inspectors (which included **3** managers) at end-March 2010, compared to **44** inspectors during March 2009. The inspectors were in turn supported by a total of **9** administrative support staff that underpin the Department's administration in the **4** regional branches.

The Law Enforcement staff complement in the different regions at end March 2010 was as follows:

	Head Office (NIT)	KwaZulu-Natal	Eastern Cape	Western Cape
Managers	1	1	1	1
Inspectors	17	9	4 (2 Mthatha)	4
Support Staff	6	1	1	1

During the period under review, 4 inspectors resigned and 2 inspectors were dismissed compared to 6 resignations and 1 dismissal during the previous financial year.

There are a number of vacancies still open as a result of resignations/dismissals or promotions / transfers in the Law Enforcement Department. The details of these vacancies are as follows:

- **Head Office:** 9 inspector positions and 1 legal typist
- **KwaZulu-Natal:** 3 inspector positions and 1 legal typist
- **Eastern Cape:** 2 senior inspector positions and 1 senior inspector position
- **Western Cape:** 2 inspector positions

A number of these vacancies were advertised in June 2009, but authorisation to short-list and conduct interviews was placed on hold by the Ministerial Intervention Task Team (MITT). These vacant positions (except for the two vacancies in Eastern Cape) were again advertised in December 2009 following the approval of the MITT, with interviews held in February 2010. Interviews were also held for the Eastern Cape vacancies. The HR Department was tasked to ensure the appointment of candidates proposed

by the interview panels. These positions will be filled in the next financial year, but there is no doubt that the staff shortages within the Law Enforcement Department are compromising the regulatory functions of the Authority. Two Chief inspector positions were also previously advertised and candidates shortlisted, although the positions were also placed on hold and are awaiting senior management approval to continue with interviews. The advertising of the position of a vacant typist position in the NIT is also awaiting approval from senior management. Another motivation, including a request to appoint 5 temporary typist staff (NIT) was submitted in February 2010 and HR was requested to action this request.

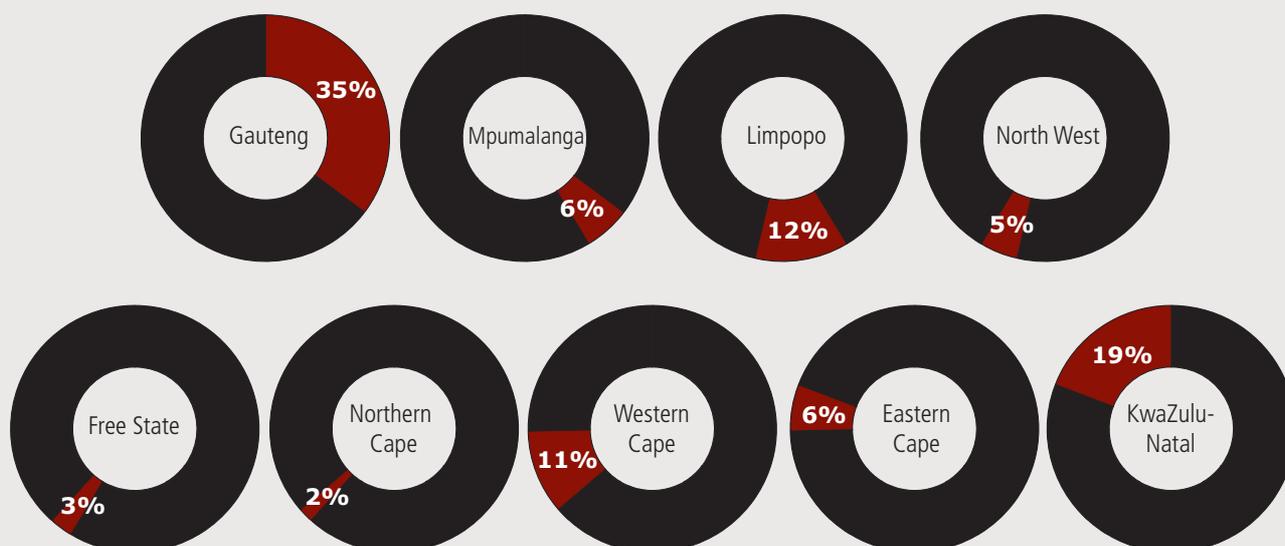
Staff Training

During the period under review, 4 training workshops were held with the inspectors. During three of these training workshops, tests were written on the Private Security Industry Regulation Act, the Private Security Industry Regulations and Sectoral Determination 6. An inspectors' workshop also focused on the inspection report templates and re-design of these templates, as well as the investigation of training centres.

Training Department

The Authority is responsible for the quality assurance of training within the Private Security Industry in terms of the Training of Security Officers Regulations, 1992. The following number of training centres are accredited with the Authority to present the curriculum as contemplated in the regulations

Region	Number of Accredited Training Centres
Gauteng	203
Mpumalanga	34
Limpopo	70
North West Province	27
Free State	20
Northern Cape	9
Western Cape	66
Eastern Cape	35
KwaZulu-Natal	110
Total	574



The Training Department's staff complement at end-March 2010 was as follows:

Administrator	1
Help Desk Administrators	6 (3 Temps)

Course Reports

During the period under review, the following was the position regarding course reports in the Training Department:

Course reports on hand end-March 2009	10 024
Course reports received from 1 April 2009 to 31 March 2010	611 372
Course reports processed from 1 April 2009 to 31 March 2010	571 826
Course reports returned from 1 April 2009 to 31 March 2010	42 970
Course reports carried over to April 2010	6 600

Interaction Between The Authority And The Safety And Security Sector Education And Training Authority (Sasseta)

The Safety and Security Sector Education and Training Authority (SASSETA) will become the sole quality assurance body for the private security industry, following on from an agreement signed with the Private Security Industry Regulatory Authority (PSIRA) in 2005. This agreement was extended in August 2008 for a further 3 years.

In terms of the agreement, SASSETA, as a SAQA Accredited Education, Training and Quality Assurance body (ETQA), will quality assure all education and training in the security industry, whilst PSIRA will register security training providers and security service providers who wish to operate in the security industry.

One of the most important issues in the PSIRA/SASSETA interaction was the alignment and comparison between the accredited courses in terms of the Training of Security Officers Regulations, 1992 and the NOF-Registered Qualifications. This alignment was not only crucial in respect of recognition of prior learning, but also formed the basis for the new statutory training qualifications for all security service providers in the industry.

The new proposed training standards (skills programmes) were compiled from, *inter alia*, the following SAQA registered qualifications:

(NC – National Certificate / FETC – Further Education and Training Certificate)

- NC: General Security Practices (Level 3)
- FETC: Specialist Security Practices (Level 4)
- FETC: Use of Firearms (Level 4)
- FETC: Firearm Training (Level 4)
- FETC: Dog Handling (Level 4)
- NC: Locksmithing (Level 3)
- NC: Close Protection (Level 5)
- FETC: Electronic Security Installation Practices (Level 4)
- FETC: Generic Management (Level 4)
- NC: Generic Management (Level 5)
- NC: Resolving of Crime (Level 5)
- NC: Policing (Level 5)

The skills programmes include, *inter alia*, training standards for the following categories or classes of security service providers:

- Guarding Sector (grades E –A)
- Generic Management and Management for all the particular categories or classes of security service providers
- Consultants / Advisors
- Reaction Officers
- Assets in Transit
- Retail Security
- Special Events

- Close Protection
- Electronic security, which includes CCTV, Alarm Systems, Access Control, Fire Detection, X-Ray Inspection, Metal Detection, Bomb Detection, Monitoring / Interception Devices and Satellite Tracking
- Locksmith and Safe Technicians
- Private Investigators
- Dog Handlers
- Training Instructor / Facilitator
- National Key Point Officers

Following on from determining the new statutory training standards for all the categories or classes of security service providers during the period under review, the Authority issued a communiqué to all security service providers in respect thereof and also compiled draft Training Regulations and submitted these to the office of the Secretariat for Safety and Security (as it was then known) during November 2008. The draft training regulations submitted were published on 30 October 2009 in the Government Gazette for public comment (Government Gazette No. 32670). It was originally proposed that this regulation should come into operation during the first half of 2010. The Authority also made a written submission / comment on the draft regulations.

Following the public comment phase, a meeting was also held with the office of the Secretariat of Police in January 2010 in respect of the published draft regulations and the public comment. The Secretariat's office undertook to forward copies of the public comment to PSIRA and set up a two-day meeting between PSIRA, the Secretariat, SASSETA and the State Law Advisors to discuss the regulations. Proposed dates were given for March 2010, but the Authority did not receive confirmation of the meeting. The Authority is currently in discussions with the Secretariat's office and it is now foreseen that the regulations will only come into operation in the second or third quarter of the next financial year.

Lastly, a number of challenges were also addressed by PSIRA and SASSETA pertaining to the implementation of the M.O.U. These include, *inter alia*, the following:

- Finalisation of the development of learning material in respect of all the skills programmes;
- Capacity building within the training industry for all categories or classes of security service providers;
- Quality Assurance of the management level 4 and 5 skills programmes;
- Alignment of databases in order to retrieve information from the SASSETA learner database in order to facilitate registration of applicant security service providers. A PSIRA/SASSETA Task Team consisting of the different IT providers and departments were appointed to look into the feasibility and costs of such an alignment. The Task Team subsequently submitted a report as well as costs projection in respect thereof, but it was agreed that this matter would stand over until the new regulations had been promulgated or clarity obtained as far as the promulgation was concerned;
- Changing SAQA environment with the promulgation of the National Qualification Framework Act and the establishment of the Quality Councils and uncertainty of the continued existence of SASSETA; and
- SASSETA's implementation plan and capacity.

Complaints and Helpdesk

The Authority has a full-time Complaints and Helpdesk at our Head Office, as well as at the KwaZulu- Natal branch. The purpose of these facilities is to deal with general enquiries and to register complaints that need further investigation by inspectors. Statistical information pertaining to the number of enquiries received at Head Office, KwaZulu-Natal and Mthatha during the period under review, is as follows:

Not all statistical information was received from the KwaZulu Natal and Mthatha branches during the period under review.

Number Of Enquiries/Complaints	Head Office	KwaZulu-Natal	Mthatha
Telephonic	20 582	148	6
Personal	5 475	330	155
Enquiries	4 562	315	69
Complaints	2 637	155	87
Enquiries pertaining to registration/training	669	131	1
Wages	1 137	34	5
Provident Fund	526	19	1

Stakeholder Interaction

During the period under review, several meetings took place with the SAPS, Department of Labour and other stakeholders. Some of the meetings and initiatives include, *inter alia*:

- The annual Security Industry Alliance conference was attended, during which time a presentation was also given on the proposed training standards and the implication thereof for the private security industry.
- Three two-day Government Sector Security Council meetings were attended. Two presentations were also made on the proposed training standards and impact for the Government Sector, as well as the amendments of Sectoral Determination 6.
- SAQA meetings were attended to discuss the implementation of the proposed regulations and impact of the new National Qualifications Framework Act and Skills Development Amendment Act. A SAQA meeting was also attended with SASSETA to discuss the security management qualification and to ensure that security elective unit standards are registered within the Generic Management level 5 qualification.
- An interview was given to e.tv's Morning Programme in respect of the security industry.
- A breakfast seminar was attended with Unisa in respect of their security qualifications.
- A meeting was attended as part of a Gauteng Shared Service Centre (GSSC) delegation with the International Atomic Energy Agency (IAEA), hosted by the Nuclear Regulator.
- Two meetings were attended with the Procurement Department of the Reserve Bank in respect of their security service providers.
- A meeting was also attended with the Government Security Regulator and the Reserve Bank in respect of National Key Point training.
- A number of SABS technical committee meetings were attended to discuss standards within the private security industry.
- A meeting was held with the Locksmiths' Association of South Africa to discuss issues relating to training within the locksmith sector.
- The Authority forwarded correspondence to the Financial Services Board, as well as the Insurance Association of South Africa in order to enter into an agreement with the insurance industry to ensure that its clients only make use of registered and legitimate security service providers. The Authority received acknowledgement of receipts of the correspondence and is awaiting invitations to attend meetings to discuss our proposals. This will be addressed in the next financial year.
- The Authority had several meetings during the past two years with the Security Committee members of the 2010 Organising Committee, highlighting the requirements of the legislation that only registered security service providers may be used during the Confederations Cup, as well as the World Cup. These meetings culminated in a written agreement confirming that, *inter alia*, all security officers (including stadium stewards) will be lawfully registered as required in terms of our Act, as well as the establishment of a Compliance Forum. A number of Compliance Forum meetings were attended to discuss compliance issues as far as the security industry is concerned. Representatives of this forum include the Authority, SAPS, LOC, SASSETA and SAQA.
- A presentation was given to the DDG and other staff of the Department of Water Affairs in respect of their obligations in terms of the Act.
- A meeting was held with representatives of PSIRA, SAPS, Security Industry Alliance and the MEC of Community Safety (Gauteng) to discuss the role of the Private Security Industry in partnering with the SAPS in the Province. Following this meeting, a workshop was attended, arranged by the MEC of Community Safety (Gauteng) to discuss the role of the Private Security Industry in partnering with the SAPS in the Province. The Chairperson of the MITT also made a presentation on behalf of the Authority.
- National Joint Planning Support Team (NJPST) meetings and Provincial Joint Planning Support Team (PJPST) meetings were attended in respect of the 2010 World Cup arrangements and the Authority also gave briefings on its expectations to ensure compliance with our Act and Regulations.
- A presentation was given at Eskom's Annual Security Workshop on the new proposed statutory training standards for security service providers.
- The SASSETA Annual General Meeting was attended, which included the launch of its annual report.
- A meeting was held with the FIFA Local Organising Committee, during which a presentation was made by the LOC to update PSIRA on the security plan and the appointment of security service providers.
- A meeting was held with the office of the Secretariat of Police on the draft training regulations.
- A number of meetings were held with the office of the Civil Aviation Authority on the impact of the Act on the aviation sector.
- A meeting was held with National Intelligence Agency in respect of the surveillance sector.
- A GSSC sub-committee meeting was held to develop guidelines for contract management within the public sector.
- A number of meetings were held with Ideco to discuss a pilot project for the renewal of registration of security service providers. This pilot project will focus on the security officers identified for the 2010 FIFA World Cup and the Authority will also be funding this project. A meeting was held with the three security businesses involved in the World Cup, who also gave their commitment to support the project. The project will be implemented in April 2010 and will be concluded prior to the World Cup.

Registration and Administration Department

Overview

The Registration Department is operating optimally and more than 1.4 million individual security officers and just fewer than 7 500 businesses were registered and active at the end of March 2010 as per the Authority's database. The registration turnaround time has improved vastly from a three-month waiting period to a month, even though fingerprints are still taken manually and sent as physical files for verification. Internal registration processes were revised and communicated to all branch managers and supervisors for implementation and total commitment by the staff members has resulted in an improved turnaround times for both business and individual registrations.

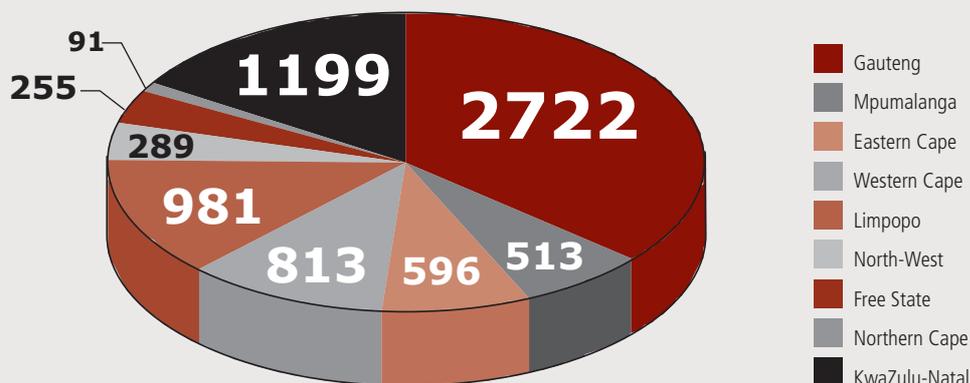
Register of security service providers

The 7 459 registered and active security service businesses compared to 6 392 in March 2009 represents an increase of 16.69%.

The 387 273 active registered security officers recorded in the Authority's register of security service providers as compared to 375 315 active security officers in 2009, represents an increase of 3.19%. The additional 1 070 387 registered, inactive security officers as compared to 940 330 at 31 March 2009 represents an increase of 13.83%.

A provincial breakdown of the 7 459 registered active security businesses in South Africa is as follows:

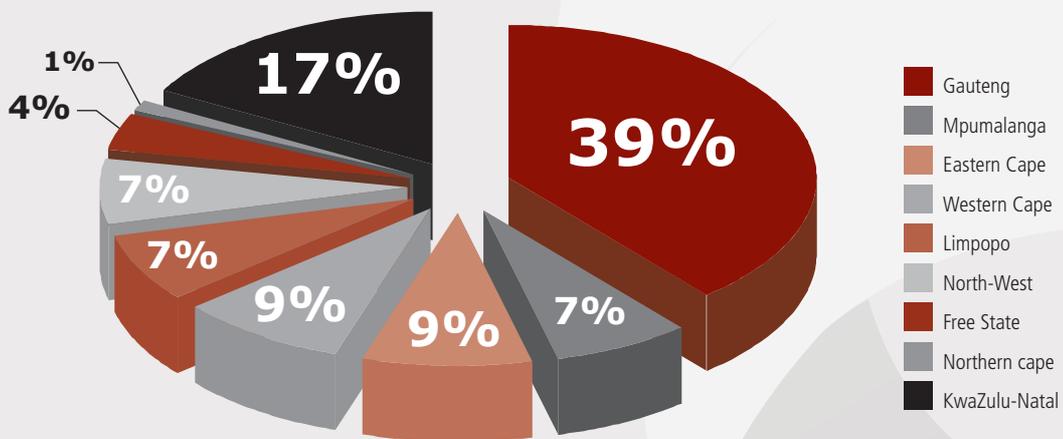
Regions/Provinces	Number of Active Registered Businesses	
	2009	2010
Gauteng	2 374	2 722
Mpumalanga	450	513
Eastern Cape	473	596
Western Cape	741	813
Limpopo	819	981
North-West	256	289
Free State	215	255
Northern Cape	82	91
KwaZulu-Natal	982	1 199
Total	6 392	7 459



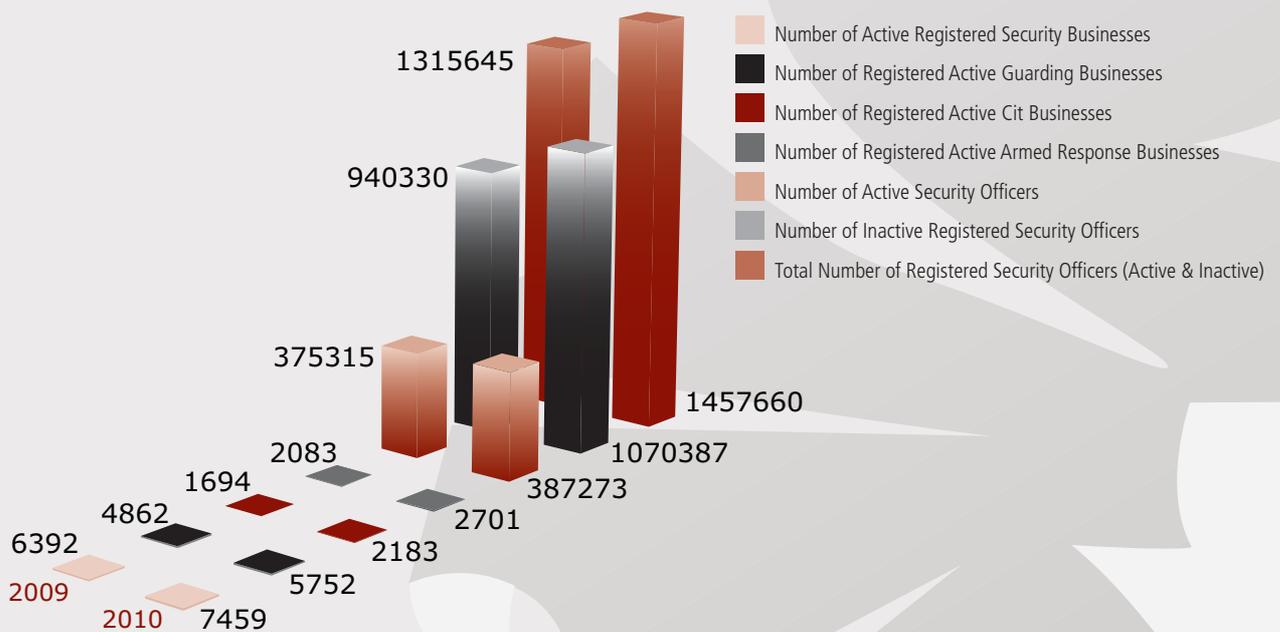
A provincial breakdown of the 387 273 registered security officers in South Africa is as follows:

Regions/Provinces	Number of Active Registered Security Officers	
	2009	2010
Gauteng	149 902	151 991
Mpumalanga	26 301	27 212

Regions/Provinces	Number of Active Registered Security Officers	
	2009	2010
Eastern Cape	32 698	34 494
Western Cape	34 567	36 461
Limpopo	24 710	25 636
North-West	25 120	25 684
Free State	15 814	16 189
Northern Cape	4 161	4 283
KwaZulu-Natal	62 042	65 323
Total	375 315	387 273



Registration Statistics for 2009/2010



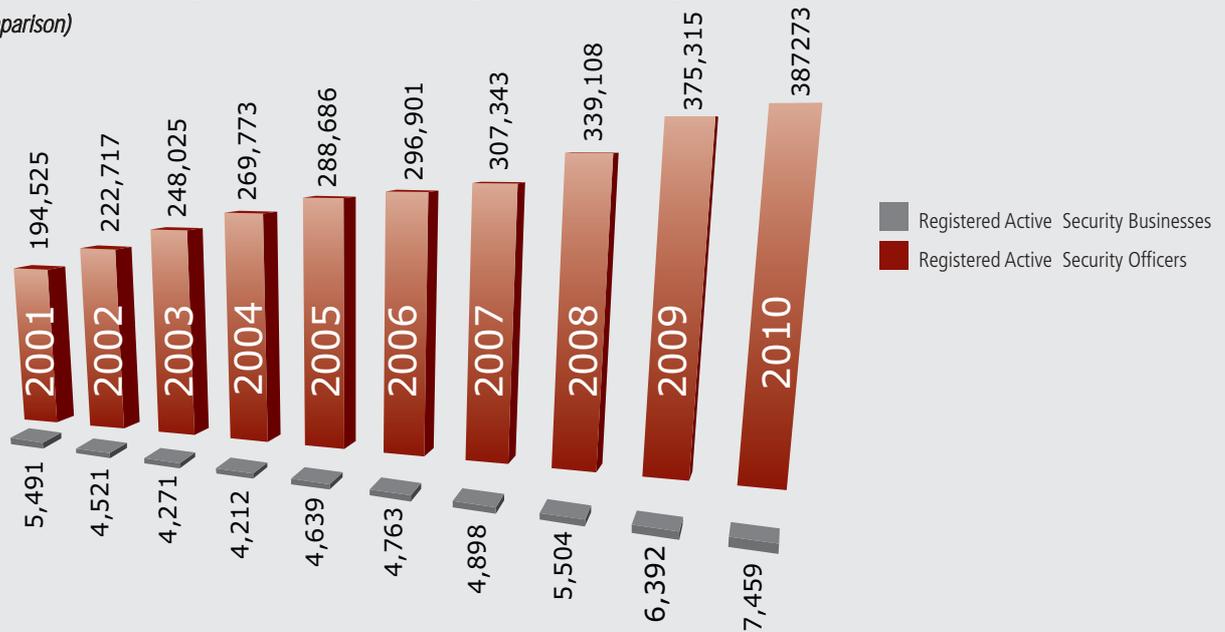
Analysis and interpretation of registration statistics

- The number of registered active security businesses has increased by 1 067 (16.69%).
- The number of registered active guarding businesses has increased by 890 (18.31%).

- The number of registered active cash-in-transit businesses has increased by 489 (28.87%).
- The number of registered active armed response businesses has increased by 618 (29.67%).
- The number of active security officers has increased by 11 958 (3.19%).
- The number of inactive registered security officers has increased by 130 057 (13.83%).
- The total number of registered security officers (active and inactive) has increased by 142 015 (10.79%)

Registration of security service providers (2001 to 2010)

(Historical comparison)



Registered active security businesses

The number of registered active security businesses as shown above from the year 2001 to 31 March 2010 has increased from 5 491 to 7 459, representing a 35.84% increase.

Registered security officers

The number of registered security officers as shown from year 2001 to 31 March 2010 has increased from 194 525 to 387 273, representing a 99.09% increase.

Number of security businesses and security officers per category

The above statistics reveal that there is a steady and consistent increase in most of the categories of security businesses and security officers.

	2009	2010
Registered active armed response businesses	2 083	2 701
Registered active cash-in-transit businesses	1 694	2 183
Registered active guarding businesses	4 862	5 752
Registered active security businesses	6 392	7 459
Registered active security officers	375 315	387 273
Registered inactive security officers	940 330	1 070 387

Key Performance Indicators of the Registration and Administration Department

- The number of applications for registration received for security officers for the financial year was 203 376.
- The number of security officers registered for the financial year was 157 802.
- The number of registration certificates printed for the financial year was 168 558.
- The number of applications for registration received for security businesses for the financial year was 1 899.
- The number of security businesses registered for the financial year was 1 538.
- The number of ID cards processed for the financial year was 83 741.
- The total amount of security officer photo's scanned for the financial year was 92 175.

Legal Services Department

1. Refusal of registration as security service provider

During the period 1 April 2009 – 31 March 2010, **8 686** individual security service provider applications for registration were refused by the Authority, due to applicants being guilty of a disqualifiable criminal offence, as set out in the Schedule to the Private Security Industry Regulation Act.

2. Withdrawal of registration as security service provider

- 2.1 **Withdrawals of registration following on from furnishing false information** - During the period 1 April 2009 – 31 March 2010, **37** individual security service provider registrations were withdrawn by the Authority, after furnishing false information to the Authority in connection with their applications for registration.
- 2.2 **Withdrawals of registration following on from a conviction of a scheduled offence** - During the period 1 April 2009 – 31 March 2010, **110** security service provider registrations were withdrawn following a conviction of a disqualifiable criminal offence specified in the Schedule to the Act while registered as security service providers.
- 2.3 **Withdrawals of registration in respect of section 20(2)(B) & 26(4)** - During the period 1 April 2009 – 31 March 2010, **24** security service provider registrations were withdrawn, in terms of Section (20)(2)(b) & 26(4) of the Act.

3. Suspension of registration as security service provider

- 3.1 **Suspension of registration pending the conclusion of a criminal investigation** - During the period 1 January 2010 – 31 March 2010, **1** security service provider's registration was suspended, pending the conclusion of a criminal investigation by the State.
- 4.1 **Appeals against the authority's refusal to register a security service provider and withdrawal by the authority of registration due to a conviction of a scheduled offence** - During the period 1 April 2009 – 31 March 2010, **768** appeals in this category were considered by the Appeal Committee. Of these, **451** were dismissed and 317 were upheld.
- 4.2 **Appeals against the authority's refusal to register a security service provider due to Non-South African residence** - During the period 1 April 2009 – 31 March 2010, **2** appeals in this category were considered by the Appeal Committee, which were both dismissed.
- 4.3 **Appeals against conviction and/or sentence following on from the finalisation of improper conduct enquiries convened in terms of the act** - During 1 April 2009 – 31 March 2010, **11** appeals in this category were considered by the Appeal Committee, of which **10** were dismissed and **1** was upheld.

5. Applications for exemptions

During the period under review, 10 applications for exemptions were received.

6. Improper conduct enquiries

During the period 1 April 2009 – 31 March 2010, 683 improper conduct enquiries were heard and finalised. Of these, NIT finalised 336 cases, Western Cape finalised 117 cases, Eastern Cape finalised 79 cases and KwaZulu-Natal finalised 151 cases.

7. Tenders

7.1 Statistics for the period 1 April 2009 – 28 March 2010

Month	Number of Enquiries Received	Approved	Denied	Further Info Requested	Fees Collected
2008/2009 TOTAL FEES COLLECTED					1 051 394.56
April 2009	281	224	53	4	103 496.54
May 2009	539	419	66	54	144 562.65
June 2009	270	215	49	4	109 314.46
July 2009	269	221	47	21	159 233.50
August 2009	216	175	38	2	111 499.03
September 2009	323	222	57	41	71 476.96
October 2009	621	467	82	11	68 645.48
November 2009	666	430	188	48	107 088.74
December 2009	166	127	28	7	39 192.27
January 2010	153	132	21	0	81 333.94
February 2010	250	101	23	126	113 801.54
March 2010	231	163	68	0	99 644.27
Total	3 985	2 896	720	318	1 209 289.38

Human Resources Report



Human Resources Management

The Human Resources Division is a strategic partner that integrates human capital with processes and systems to ensure that PSIRA delivers against its mandate in the most cost-effective and efficient manner

The Human Resources Division at PSIRA has applied an integrated approach to ensure that the following key strategic objectives are achieved:

- Sourcing and retention of Human Capital;
- Organisational design and Job Evaluation processes;
- Administration, co-ordination, continuous monitoring and evaluation of Personnel Performance Management;
- Training and Development of staff according to PSIRA needs in terms of the Human Resources Development (HRD) strategic plan, Skills Audit Report, Training Plan and the Workplace Skills Plan (WSP);
- Facilitate and monitor Employment Equity (EE) and diversity at PSIRA through the Employment Equity plan; and
- Labour Relations and Employee wellness.

The HR Division, during the year under review, was comprised of only three personnel and yet major planned objectives mentioned above were achieved.

Organisation and Staff complements

The staff complement during the year under review was as follows:

Permanent employees	199
Temporary employees	11
Total	210

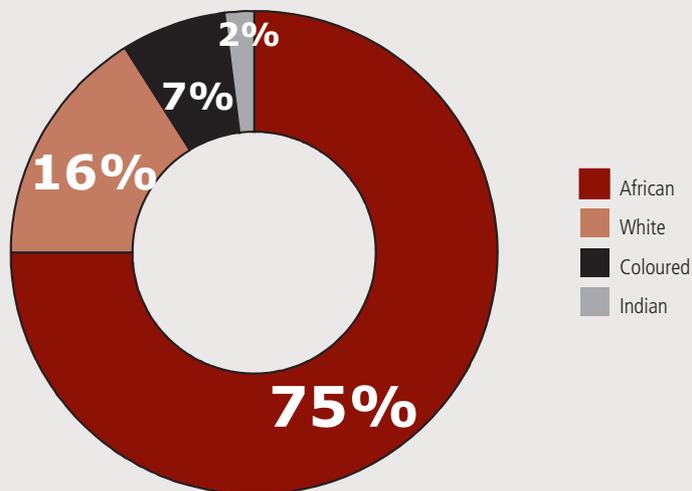
Composition of staff complement

Division/Department	Number of staff members
Strategic and Governance issue	
Directorate	3
Communication	8
Sub-total	11
Finance and Administration	
Finance Management	14
Debt Collection	15
Asset Management	1
Facilities Management	9
Office Services	11
Sub-total	50
Operations	
Law Enforcement	24
Legal Services	8
Prosecution	3
Registration	28
Training	7
Western Cape Branch	14
Eastern Cape Branch	9

KwaZulu-Natal Branch	22
Mthatha Branch	5
Johannesburg Branch	16
Nelspruit Branch	4
Polokwane Branch	4
Sub-total	144
Information Technology	3
Sub-total	3
Human Resources	3
Sub-total	3
Total	211

Composition of Labour Force

	African	White	Coloured	Indian	Total	%
Males	66	15	1	2	84	40
Females	94	18	12	3	127	60
Total	159	33	13	5	211	100
%	75%	16%	7%	2%	100%	100



New Appointments, Terminations, Transfers, and Promotions for the period under Review

Permanent appointments	23
Temporary appointments	0
Resignations	13
Terminations due to end of contract	0
Termination due to misconduct	4
Termination due to death	0
Transfers	0
Promotions	0
Vacancies	17

Trade Union Activity

The following three unions are active within PSIRA:

- Satawu
- Solidarity
- UASA

Skills Development and Training

It is main objective of the Authority to ensure that its employees are developed at all levels of occupation. Different training activities were undertaken and reported according to different occupational levels as follows:

Occupational Levels	Male				Female				Contract Employees	TOTAL
	African	Coloured	Indian	White	African	Coloured	Indian	White		
Top management										
Senior management										
Professionally qualified and experienced specialists and mid-management	4			2	2	1		2		11
Skilled technical and academically qualified workers	3			2	5					10
Semi-skilled and discretionary decision making	4			4	2					10
Unskilled and defined decision making										
Total	11			8	9	1		2		31

The bulk of training for the year 2009/2010 was offered to middle management level and skilled technical. The main purpose of the aforesaid training was to ensure that the key personnel of the Authority are clued with the application of the PSIRA Act. The lower level (semi-skilled) were trained to become computer literate and also how to service the clients.

It is the intention of the Authority, in future, to focus much on training interventions that address its core-functions.

Employment Equity

PSIRA is an Employment Equity Employer and is committed to applying affirmative action steps to ensure that any imbalance in employment is addressed. The following report displays the workforce profile by occupational levels, including employees with disability:

Occupational Levels	Posts grades	Male				Female				TOTAL
		African	Coloured	Indian	White	African	Coloured	Indian	White	
Top management		1								1
Senior management		4								4
Professionally qualified and experienced specialists and mid-management		16		1	12	14				43
Skilled technical and academically qualified workers		25		2	11	24	4		16	82
Semi-skilled and discretionary decision making		25	1			31	8	2	2	69
Unskilled and defined decision making		5			7					12
Total		76	1	3	23	76	12	2	18	211



Organisational Performance Report

Strategic Governance and Leadership

Strategic goal	Performance indicator	Actual achievement	Comments
Strategic planning document developed	Strategic plans development	First Council strategic planning session held and a strategic planning document produced	
Strategic direction aligned to the PSIRA Act	Provision of the strategic direction & alignment of organisational structure to the PSIRA Act	Non-compliance with PSIRA Act identified New organisational structure developed	
Maintenance of effective corporate governance	Appointment of Council by the Minister	Council appointed by the minister with effective date 1 January 2010	
	Policies and procedures in place	Develop policies and procedures	All policies and procedures applicable to the Authority identified and documented

Law Enforcement and Training Division

Strategic goal	Performance indicator	Actual achievement	Comments
Reduce registration time taken to register security officers and security businesses to not more than seven days	Strategy action plan to reduce registration turnaround. Internal registration processes reviewed, communicated and implemented to ensure speedy registration of both individual and business applications	The registration turnaround has improved from three months to a month	Commitment from staff members and implementation of processes produced positive outcomes, even though the targeted turnaround time has not yet been achieved
	Fingerprint ink sourced from government printing to avoid retakes of applicants' fingerprints	Currently buying fingerprint ink from government printing	User friendly and number of retakes decreased drastically
	Re-registration plan in place. The re-registration of all security service providers to take place during the 3rd quarter of 2010	Already a pilot study is underway to re-register all security officers to be employed during the 2010 FIFA World Cup	To benchmark the pilot study on the re-registration project as one of the strategic goal of the Authority
	Clear service level agreement with IDECO	To have service level agreement signed with IDECO on the vetting time frames	To agree on vetting time frame of 24-48 hours and the introduction electronic fingerprinting
Improve quality and operational efficiency and effectiveness	Identify policies, procedures systems and practices to improve registration operational efficiency	Internal processes and procedures already communicated and implemented. Policies already identified and draft to be finalised and handed over for comments and Council for approval	Policies to be finalised and handed over to other managers for comments and to the Council for approval
	Develop a quality strategy and implementation of electronic performance management system	Clear targets set for Registration Division to ensure staff members perform to their optimal level	Staff members submit daily statistics on the work done for the day
		Proposal submitted to IT to have user roles to track individual performance electronically	Daily submission of statistics captured and verified electronically
	Provide for a statistical report on the activities within registration. Such as number of applications processed, number of businesses and individuals registered	Over 1.4 million security officers and 8 000 businesses registered with PSIRA	Statistical report is made available on activities within registrations

Strategic goal	Action	Performance indicator	Actual achievement	Comments	
Grow business as per legal mandate by ensuring compliance with existing legislation by security service providers through comprehensive enforcement of the provisions of the Act and statutory Code of Conduct	Efficient and effective inspection of the following categories of security service providers: <ul style="list-style-type: none"> • Guarding sector • Reaction industry • Assets-in-transit sector • Event security • Training providers • Labour consultants / independent contractors 	Identifying illegal practices within the private security industry and conducting at least 1 550 inspections at registered / unregistered active businesses per month of which a minimum of 65% of the inspections are focused on the categories identified	6 971 inspections conducted compared to target set of 6 638 inspections. Inspection performance is 105% in relation to target 82% of inspections conducted focused on identified categories		
		Implement monthly site inspection programme	Monthly site inspection programme implemented Performance management feedback form amended to provide for site investigation feedback and monitoring 746 Site investigations conducted during period under review by all the branches within the Law Enforcement Department		
		Submit a report on the activities of the Law Enforcement Department as far as inspections are concerned	Monthly, quarterly and annual Law Enforcement reports submitted, which includes performance of NIT, KZN, E-Cape and W-Cape. Report includes the following : <ul style="list-style-type: none"> • number of inspections • inspection performance in relation to target • type of inspections • categories of inspections • details of inspections conducted at large, medium and small businesses 		
		Register criminal cases against unregistered security businesses identified	177 criminal cases opened with the SAPS against unregistered security service providers		
		Serve charge sheets / summonses and testify in Improper Conduct enquiries and criminal cases	1 144 charge sheets and 1 368 summonses served Deliverable subject to performance of Prosecutor's department		
		Develop plan and budget for expansion of service in forthcoming year	Plan and budget for additional resources compiled and submitted for authorisation	Plan subject to 2010/2011 financial year's budget approval	
		Enforce minimum standards of occupational conduct and enforcement of the rights of security officers and other employees in the private security industry through	Compile at least 1 776 docket for the period under review against docket for non-compliant security service providers	1 568 dockets compiled compared to target of 1 776 dockets	Staff turnover had an impact on this deliverable as well as site investigations where a high number of inspectors were involved 16 vacant inspector positions advertised, candidates interviewed and recommended. Appointments to be made in the 2010/2011 financial year

Strategic goal	Action	Performance indicator	Actual achievement	Comments
	instituting legal proceedings against non-compliant security service providers	Type a minimum of 1 400 dockets to reduce backlog on outstanding dockets	1 546 dockets typed compared to target of 1 400 dockets 500 dockets outstanding at end of reporting period No backlog in Western Cape and Eastern Cape offices	One typist was on maternity leave and another typist in acting position (Secretary : NIT) One vacant typist position in NIT Department and KZN. High number of summonses issued. Additional staff to be employed and motivation and budget for additional staff and temp typists submitted. HR Department to address request in 2010/2011 financial year.
		Issue on average 1 260 charge sheets and 1 500 summonses on behalf of the Legal Services Department	1 435 charge sheets issued compared to target set of 1 260 1 393 summonses issued compared to target set of 1 500	Deliverable subject to performance of Prosecutor's Department. Vacant positions in prosecutor's department. Appointments made and commencing employment / contract in April 2010
		Report and monitor progress on the number of Code of Conduct dockets opened	Monthly quarterly and annual reports submitted on performance which includes NIT, KZN, E-Cape and W-Cape Reports include the following : • Number of dockets compiled • Docket against large, medium and small businesses • Docket containing charges relating to minimum wages	
		Review existing tolerance policy as far as a cost-effective implementation thereof is concerned and submit a proposal/policy in respect thereof	Proposal on tolerance policy compiled and submitted to Senior Management	Proposed tolerance policy subject to legislation amendments in respect of spot fines – currently with SAPS Legal Services/Secretariat
	Filling of vacant posts and building capacity in the Inspectorate	Obtain approval to fill the following positions : • 16 Inspectors (currently vacant) • 1 Senior Inspector • 2 Chief Inspectors • 3 Typists (currently vacant) • 1 Office Assistant	Approval obtained to fill vacant Inspector positions and 12 positions advertised. Other vacancies also addressed during interviews of shortlisted candidates. Interviews held and candidates recommended. Awaiting approval on recommended candidates. Appointments to be made in 2010/2011 financial year. Approval awaited to advertise two Chief Inspector positions, but moratorium placed on interviewing shortlisted candidates Approval awaited to fill vacant typist position	Awaiting approval following moratorium. Further motivation submitted Further motivation submitted to Human Resources. HR Department addressing matter

Strategic goal	Action	Performance indicator	Actual achievement	Comments
		Advertising, shortlisting and conclusion of selection interviews followed by pre-employment checks on recommended candidates	Vacant Inspector positions advertised, candidates shortlisted, interviewed in February 2010 and candidates identified Chief Inspector positions advertised internally and shortlisting concluded, but interviews not conducted Further motivation and budget submitted to fill vacant typist positions, as well as temp typists	HR to proceed with appointment Moratorium placed on appointment of Chief Inspector positions. Further motivation submitted to appoint chief inspectors HR actioning this request
	Increase staff complement of the Law Enforcement Department	Motivation and authorisation for the appointment of additional Inspectors within the Law Enforcement Department, as well as three additional support staff (typists) within the next financial year, in line with expansion of service strategy Motivation and budget submitted		Awaiting decision on motivation and approval of budget
Achieve targeted metrics of stakeholder satisfaction by establishing productive relationships with key stakeholders who have a vested interest in the Department's success and effective engagement to build the Authority's reputation and encourage a spirit of voluntary compliance	Formalise interaction with external stakeholders and in particular, other organs of State	Increased relations with SAPS and, in particular, the Auditing and Monitoring Unit of the SAPS and Detective Units	Discussions held with Visible Policing and commitment obtained for closer working relationship with detective branch Monthly interaction and joint operations with CFR and Auditing and Monitoring Unit of SAPS	Ongoing
		Develop Standard Operating Procedure manual for SAPS in dealing with Authority cases	Standard Operating Procedure manual discussed with SAPS and Visible Policing undertook to compile SOP Draft charge sheets in respect of criminal charges as per PSIR Act submitted to SAPS	Awaiting SOP as SAPS are still working on the procedure. A number of follow-ups have been made on the progress to ensure that the Authority can give input/comment on the SOP. No feedback yet from SAPS Signed memorandum of
		understanding with the Firearms Registrar pertaining to the regulation of firearms within the industry, including an updated and accessible database of security service providers in possession of licensed firearms	Firearm regulation policy compiled/reviewed and submitted to CFR Discussions on policy document held and awaiting final approval and signature by parties	Delays in approving policy from SAPS side A number of follow-ups and requests for meetings forwarded to SAPS. Matter to stand over until next financial year
		Initiate meetings with the NPA to improve convictions of criminal cases opened by the Authority against security service providers	Carried over to the next financial year	Carried over to the next financial year

Strategic goal	Action	Performance indicator	Actual achievement	Comments
		Regular consultation with other State agencies on matters affecting the work of the Authority	Monthly interaction with SAPS (CFR and Auditing and Monitoring Unit) as well as NIA vetting	Ongoing
		Signed memorandum of understanding with the Department of Labour to develop a co-operative relationship in dealing with exploitation of labour	Draft memorandum of understanding previously submitted to Department of Labour to formalise relationship	Awaiting feedback from Department of Labour on proposal. Follow-up to be made during next financial year
		Build relationships with role players (Provident Fund, SIA, SATAWU, SAIS, SABS, SAQA & SASSETA) in line with stakeholder management plan as per Communication Department	<p>Monthly informal and formal liaison with SIA and other employer organisations on issues relating to the regulation of the private security industry</p> <p>Liaison and submission of quarterly reports to compliance forum and administrator in respect of investigations relating to the PSSPF</p> <p>Submission of compliance reports to CFR. During the period under review, 1 261 reports were submitted</p> <p>Regular meetings held with SASSETA</p> <p>Meetings held with SAQA on NQF Act</p> <p>SABS Technical Committee meetings attended</p>	<p>Formal interaction with employee representatives not regular – to be addressed through a wider stakeholder management plan by Senior Management</p> <p>PSSPF moved to ABSA. Meetings to be initiated in the next financial year with Fund Administrator and trustees</p>
		Build relationship with BAC and SAPS to accelerate public/private security industry partnerships nationally	<p>No formalised meetings held to build on partnerships during the period under review</p> <p>Interaction with pilot public/private policing project in Honeydew</p> <p>Meetings attended with MEC for Community Safety (Gauteng) and other role players to develop public/private policing partnerships in Gauteng. Authority attended and played a role in provincial workshop in support of the public/private policing partnerships. Several task team meetings attended in preparation for the workshop</p> <p>Follow-up made with Department of Community Safety (Gauteng) in respect of public/private security partnership following on from workshop attended during the previous quarter. No response received on the initiative</p>	Presentation made to Provincial Crime Combating Forum (Gauteng) in respect of private security sector.

Strategic goal	Action	Performance indicator	Actual achievement	Comments
		Policy agreement between PSIRA and Insurance Regulator in respect of client obligations	Letters to initiate meetings between the FSB, the South African Insurance Association and PSIRA previously forwarded. Response received from FSB requesting meeting. Awaiting feedback from Insurance Association's Board meeting where the Authority's request will be tabled.	Follow-up to be made with role players during next financial year
		Implementing PSIRA/LOC 2010 agreement in respect of registration and training	<p>LOC failed to comply with agreements in respect of Confederations Cup</p> <p>Investigations conducted in respect of compliance and security businesses prosecuted in terms of Code of Conduct</p> <p>New project plan developed to ensure compliance by LOC and other role players during World Cup</p> <p>Appointment secured for PSIRA to serve on National Joints Planning Committee and Prov. Joints</p> <p>PJPST meetings and NJPST meetings attended</p> <p>Progress report compiled and submitted</p> <p>PSIRA 2010 World Cup action plan and budget compiled and submitted for approval. (Plan & Budget approved)</p> <p>LOC and 2010 Compliance Forum established and meetings held and training and registration requirements submitted. Progress on training being monitored</p> <p>Re-registration project for World Cup security officers developed and discussed with Ideco and security businesses. Project implemented and actioned by registration department in April 2010 and concluded in May 2010</p>	<p>Ongoing</p> <p>Ongoing</p> <p>Ongoing</p>
		Liaison with DOL and SAQA in respect of NQF	Regular meetings held with SAQA in respect of the National Qualification Framework Regulations and impact on proposed training standards	
	Consumer and security service provider	Industry liaison through the Department's Complaint & Helpdesk office	20 736 telephone calls received and 5 960 persons seen during the period under review. This	December 2009, January and March's 2010 complaint and helpdesk statistics for Mthatha branch not

Strategic goal	Action	Performance indicator	Actual achievement	Comments
	communication, advice and information in order to promote the interests of users of security services		interaction related to, inter alia, 4 946 enquiries and 2 879 complaints lodged	received
		Compilation and distribution of information brochures to consumers in respect of statutory obligations during investigations	Consumer notices compiled and reviewed in respect of consumer obligations in terms of the Act, as well as an educational pamphlet in respect of the difference between independent contractors and employees Information distributed by inspectors Illustrative Contract Pricing Structure compiled and available on PSIRA website. Industry circular forwarded in respect of legislative amendments of Sectoral Determination 6	
		Attend regular stakeholder management meetings and liaison with Communication Department in respect of press releases pertaining to the NIT & Training Departments Meetings held with SIA and a presentation made at their Annual Conference	Meetings held and attended with other stakeholders, including, inter alia: <ul style="list-style-type: none"> • SAQA • LOC & SASSETA • Prov. Joints (PJPST's) and Nat Joints (NJPST) – World Cup • Civil Aviation Authority • NIA • Government Sector Security Council (GSSC) • Ideco • SABS Technical Committees • Gauteng Department of Community Safety • Reserve Bank • Eskom Annual Security Conference • SAIS • The Locksmith Association of S.A. and a number of presentations made at these meetings <p>A number of media responses compiled on behalf of Communication Department on law enforcement activities</p> <p>Monthly reports submitted on stakeholder interaction</p>	Liaison between Law Enforcement & Training Department and Communication Department still to improve to ensure regular press releases on issues relating to the regulation of the industry
		Implement all identified MOU's in line with MOU Management Framework	MOU between PSIRA and Central Firearms Registrar, as well as Department of Labour submitted	Awaiting feedback from CFR and DOL
	Implement regular management/security service provider visits	No formal visits by managers at security service providers except for liaison through stakeholder structures. This is due to other work commitments	Schedule to be compiled to accompany Inspectors during inspections at security service providers in the next financial year	

Strategic goal	Action	Performance indicator	Actual achievement	Comments
Equip PSIRA officials with skills and knowledge to promote and achieve the values of professionalism, integrity, diligence and competence in the performance of functions and the exercise of powers by inspectors and to shape the Authority's organisational culture	Highly trained and experienced inspectors and support staff	Monthly internal training workshops for all inspectors and support staff in respect of regulatory framework	Four official training workshops held at head office during the period under review and a number at the branch offices Presentations given on the various legislation regulating the private security industry and tests written	Meetings and informal training sessions held during the period under review at all branches
		Identifying training and skills development needs of staff, in consultation with HR and implementing training & development to, inter alia, assist with consumer complaints	To be identified with the assistance of HR Internal and external skills development plan compiled and submitted to HR	Training to be addressed in conjunction with an HR Skills Audit
		Continuous implementation of the Law Enforcement induction programme for newly appointed staff	No new appointments made during the period under review	Future orientation programme for inspectors to increase to two weeks in addition to the three months' practical training
Develop a competent private security industry by promoting high standards in the training of security service providers and prospective security service providers	Efficient and effective regulation pertaining to the training of security service providers & implementation of new training regulations	Continuous processing of course reports pending implementation of new training regulations and progress report in respect thereof	10 024 course reports were on hand prior to the reporting period 611 372 course reports received during the period under review, of which: <ul style="list-style-type: none"> • 571 826 were processed • 42 970 returned to the training centres • 6 600 course reports were carried over to the next financial year 	Course reports captured within 48 hours of receipt
		Report on the progress of consultation with SASSETA and implementation of MOU	Monthly reports submitted on interaction between PSIRA and SASSETA on any matters relating to the MOU Monthly meetings were held with SASSETA, which mostly focused, inter alia, on concerns relating to training material availability, SASSETA's implementation plan, database alignment, concerns of the training providers and SAQA accreditation to quality assure the Security Management qualification	
		Liaise with the Minister's office in respect of the publication of Draft Training Regulations	Draft Training Regulations published in Government Gazette on 30 October 2009 following on from its submission in November 2008 and ongoing liaison with the office of the Secretariat of Police to ensure its publication. Draft regulations circulated to industry and stakeholders and Authority comment also compiled and submitted. Meeting held with office of Secretariat of Police in respect of	Awaiting date to meet with roleplayers from Secretariat's office. A number of follow-ups made and awaiting feedback.

Strategic goal	Action	Performance indicator	Actual achievement	Comments
			public comment received. Secretariat's office undertook to arrange a meeting with State Law Advisors, PSIRA & SASSETA on way forward	
		Review and complete draft training regulations following on from public comment phase	Awaiting feedback from Secretariat after public comment phase	Meeting held with Secretariat's office in January 2010 Follow-up meeting dates to be confirmed by Secretariat's office with State Law Advisors
		Liaise with IT Department in respect of PSIRA/SASSETA database alignment	Feasibility study completed and cost projection submitted Internal meeting held and IT requested to action database alignment	Project originally placed on hold until the Training Regulations have been published IT requested to action project. Progress to be monitored
		Implement new training regulations and full implementation of PSIRA/SASSETA MOU	Awaiting promulgation of new Training of Security Service Provider Regulations, 2009	Proposed implementation is now later in 2010 in view of delays from Secretariat's office following on from public comment on the draft regulations
		Monitoring of implementation of MOU in conjunction with IT Department	Awaiting promulgation of new Training of Security Service Provider Regulations, 2009	Awaiting promulgation of Regulations Proposed implementation is now later in 2010
		Monthly meetings with SASSETA in respect of ETOA functions	Monthly meetings held	Ongoing Awaiting promulgation of Regulations Proposed implementation is now later in 2010
		Annual evaluation of SASSETA's Quality Assurance performance	Awaiting promulgation of new Training of Security Service Provider Regulations, 2009 and full implementation of MOU	Awaiting promulgation of Regulations Proposed implementation is now later in 2010
		Liaise with Department of Labour and South African Qualifications Authority in respect of NOF and Quality Councils	Four meetings held with SAQA in respect of NOF and impact of Quality Councils on Regulations. Submission also made to SAQA in respect of amendments to Security Qualifications and Generic Management Qualification. This related to the registration of additional elective unit standards in the qualifications. Proposal accepted and confirmation received that elective unit standards were registered in the Qualification in support of the proposed skills programmes Full implementation of Quality	

Strategic goal	Action	Performance indicator	Actual achievement	Comments
			Councils only expected in 2010/2011 SASSETA quality assurance registration renewed until 2011	
Implement a risk-based supervision approach to regulation	Re-focus resources in accordance with areas of greatest potential risk	Workshop and develop a risk-based supervision approach in regulating the private security industry	Workshop not held during period under review. To be carried over to next financial year	Workshop to be held in next financial year
	Equitable deployment of inspectors according to geographical distribution of security service providers for effective regulation of the various operational areas	Implement risk-based regulation strategy	Implementation in next financial year – subject to the approval of strategy	Implementation in next financial year – subject to the approval of strategy Appointment of two chief inspectors
			Positions advertised internally Moratorium placed by Senior Management on new appointments	Appointments subject to Senior Management approval Additional motivation submitted. Awaiting approval from Senior Management
		Equitable geographical re-deployment plan	Re-deployment plan completed and implemented in 1st quarter, taking into consideration the size of the private security industry in relation to the Department's resources Rotation of inspectors to be revised on an ad hoc basis depending on need	
	Plan on annual rotation of inspectors within all areas of responsibility in line with risk-based regulation strategy	Implementation delayed – subject to the approval of strategy New rotation to be implemented after 2010 World Cup	Implementation in next financial year – subject to the approval of strategy. Rotation to be implemented after 2010 World Cup	
Establish Ombudsman office in order to increase protection to consumers of security services	Oversight of service delivery by security service providers towards client of security services	Submit recommendations for the establishment of an Ombudsman office to deal with consumer complaints	Recommendations submitted as part of legislative review	
		Engagement with stakeholders with regard to the establishment of an Ombudsman office	Engagement in next financial year – subject to approval of recommendations	Engagement in next financial year – awaiting approval
Develop enabling IT architecture by liaising with IT Department to ensure that the Authority's IT infrastructure supports the Department's objectives	PSIRA/SASSETA database alignment	SASSETA/PSIRA meetings to establish alignment between the bodies databases	Two meetings held between PSIRA, SASSETA and respective IT consultants Feasibility study completed Regulations published for comment	Project originally placed on hold pending the promulgation of the Training of Security Service Provider Regulations, 2009 Meeting held with IT to action alignment following on from publication of Regulations. Progress to be monitored. Project delayed due to delays from Secretariat's office on the way forward on the training regulations
		Approval for Internet access to all inspectors and 3G cards to operate away from office	Motivation submitted for 3G cards subject to accessibility on database through this application	

Strategic goal	Action	Performance indicator	Actual achievement	Comments	
			3G cards issued to all inspectors		
	PSIRA/Central Firearms Registrar interaction in respect of database alignment	PSIRA/CFR meetings to establish database alignment in line with policy agreement	Meeting held, but progress subject to approval of signed MOU between PSIRA & CFR	Awaiting feedback from CFR in respect of MOU A number of follow-ups made during period under review	
Improve quality and operational efficiency and effectiveness	Review and optimise Law Enforcement & Training operational policy and targets in line with strategy	Incorporate risk-based supervision approach in regulation within Operational Policy Document	To be incorporated in the next financial year following on from approval of policy	To be incorporated in the next financial year following on from approval of policy	
		Review and document current work processes	Law Enforcement operational policy reviewed and submitted for Council approval Work processes clearly documented		
	Address data integrity and reliability	Enhance statistical reporting to ensure integrity of information and conducting of regular audits	Statistical form reviewed and circulated Ad hoc audits conducted on reporting	Appointment of Chief Inspectors will enhance monitoring and integrity	
		Consolidation of statistics and compilation of performance reports on all activities within business unit	Statistics consolidated monthly and performance reports compiled each month in respect of all activities identified within the business unit as well as performances of all inspectors and support staff		
	Liaison with Senior and Middle Management to build leadership team in the interest of the Authority	Regular meetings and consultation pertaining to matters of common interest	Regular meetings held with Senior Management in respect of challenges/performance of business unit		
		Liaison with Management pertaining to matters affecting the successful implementation of the Department's objectives, as well as assistance as far as the renewal of registration project and debt collection are concerned	Regular meetings held with Senior Manager and other Line Managers		
	Ensure an enabling legal and regulatory framework	Conduct annual review of legislation and regulations and compile the necessary regulation to be passed on behalf of the Minister	Investigate levies increase in conjunction with Finance Department and submit proposal in respect thereof	To be finalised	Awaiting guidance from Finance Department & progress of Levies Act, as well as request from Senior Management
			Compile draft regulations in respect of levies increase for Council/Minister approval	To be finalised	Awaiting guidance from Finance Department and request from Senior Management
Compile renewal of registration regulations for Council/Minister approval			Draft Regulations compiled and circulated to all managers for comment	To be finalised	
Compile recommendations in respect of legislative amendments			Recommendations compiled and submitted		

Strategic goal	Action	Performance indicator	Actual achievement	Comments
Implement effective performance management	Application of management-by-objective principles and performance management reviews	Conduct formal assessments of all Departmental staff in line with Departmental/Authority performance management system	Performance contracts and Performance Management System in place Individual statistical report generated for each Inspector on a monthly basis as well as support staff Formal performance assessments and appraisals conducted during November/December 2009 of all inspectors	Ongoing
Develop high engagement working environment	Interaction with Departmental staff and improved motivation	Regular meetings on matters affecting the staff and Department	Formal monthly meetings held with department staff and minutes kept of all decisions	
		Two team-building sessions for all staff members	One team-building session was held during the period under review	Formal team-building session to be arranged in next financial year
Align staff, systems and organisational design behind the PSIRA strategy	Engage all staff to understand and contribute to the PSIRA strategy	Internal communication in respect of strategic plan and operational plan in support thereof	Presentation made during 1st quarter to staff on the Department's annual operational plan in support of the Authority's strategic plan	
		Regular meetings to share progress on implementation of strategic and operational plan and communicate performance reviews	Formal presentations made to departmental staff on monthly performance in line with operational plan	
		Review and shape Department in line with implementation of action plans	Ongoing re-deployment of resources to meet action plans.	Draft re-deployment plan compiled in anticipation of new inspectors. To be implemented once appointments have been confirmed by HR New rotation of inspectors to be completed after the 2010 World Cup in the next financial year

Finance and Admin Division

Strategic goal	Performance indicator	Target	Actual achievement	Comments
Increase operating revenue to ensure financial stability	Identify budget required to execute funding requirements	Budget for the 2009/2010 financial year prepared	Achieved	
	Identify measurable and qualified, potential expenditure cutbacks	Integration of Complier debtor system to eliminate overtime in Finance	Achieved	
		Acquire letter-folding machine to eliminate overtime in filing room	Achieved	
Collect PSIRA 's outstanding and recoverable debt	Debt collection manager appointed	Debt collection manager appointed	Achieved	
	Clean up debtors database and identify outstanding debt deemed collectable	Produce a database of collectable outstanding debt	Appointed professional financial consultants to assist with the cleaning up of database to determine collectable debt	Work in progress
	Develop debt collection strategy, inclusive of resources required	Increase debt collection capacity Develop debt collection strategy	Six account administrators appointed Draft debt collection strategy developed	
	Implement debt collection strategy			
Collect due fees timeously	Achieve set debt collection targets	Collect all revenue charged	More than 80% of revenue charged collected	
Comply with PFMA requirements	Identify any areas of non-compliance and action	Outsourced Internal Audit	Internal auditors appointed	
		Conduct risk assessment	Risk assessment exercise concluded	
Maintain effective corporate governance	Internal Audit Risk assessment conducted	Internal audit appointed & conduct risk assessment during the year under review	Conducted December 2009	
	Develop policies & procedures	Policies developed and approved by Council	Draft policies developed and ready for Council approval	

Human Resources Division

Strategic goal	Performance indicator	Actual achievement	Comments
Comply with PFMA/unqualified audit report	Identify any areas of non-compliance and action	Partially achieved	Carried over to the new financial year due to the fact that most of the critical posts were vacant
Right people in place at right time	Existence and implementation of talent management strategy	80% of vacated posts were filled within reasonable time	
Implement effective performance management	Design performance management system and processes	Performance management was introduced by a few divisions	A comprehensive performance management will be implemented in the new financial year, given that the Department has appointed an HR Manager
	Train all people in its use Conduct 'first cut' performance reviews 95% of people formally assessed annually Utilise performance information to guide salary reviews Determine retention strategy Develop interim plan to address motivational issues	The training plan was done through the skills audit exercise	The plan was not linked to performance management as such
Develop high engagement working environment	Develop interim plan to address motivational issues	The job evaluation and grading exercise took place	

Communications Division

Strategic goal	Performance indicator	Actual achievement	Comments
Achieve targeted metrics of stakeholders satisfaction	Initial briefing meeting with stakeholders e.g. SIA	Partially achieved	Briefing meetings held with Department of Labour, Private Security Associations

Information Technology Division

Strategic goal	Performance indicator	Actual achievement	Comments
Improve quality and operational efficiency and effectiveness	Develop IT plan with costing to support re-registration	Partially achieved	<p>A costed plan to support re-registration exists. The plan includes:</p> <ul style="list-style-type: none"> Servers, card printers, printers, photo cameras, switches, and cabling <p>A further study on an electronic document management system must still be conducted</p> <p>A stakeholder forum that includes SAPS, IDECO, DHA, and SASSETA has been established</p> <p>Diginet lines have been upgraded to meet re-registration requirements</p>
	Develop plan to ensure overall data integrity	Partially achieved	<p>An IT architecture plan to ensure data security and integrity is in place</p> <p>Systems security was enhance by way of:</p> <ul style="list-style-type: none"> Redesigning of system roles for the segregation of duties in the registration system Secure passwords were implemented for all users of the system <p>A complete plan to link the PSIRA system with the SASSETA system is in place to meet new training regulations is in place</p> <p><i>Implementation of these plans is essential in order to fully achieving this targeted outcome.</i></p>
	Ensure that the target of 95% system uptime is achieved	Partially achieved	<p>New servers were procured to ensure the robustness of IT infrastructure and systems</p> <p>An uninterruptible power supply has been procured to ensure that systems continue running even during power failures</p> <p>Licensing of software used at PSIRA was renewed/acquired to ensure support and uptime</p> <p><i>The license for the database needs to be renewed (NB). Additional software is also required</i></p>
	Annual IT reviews and recommendations	Achieved	<p>The following recommendations were made:</p> <ul style="list-style-type: none"> A complete revamp of the entire PSIRA data network to ensure maximum system uptime and linkage of PSIRA Voice over IP network for interbranch communications Additional server to be procured to ensure sufficient server capacity to run the business of PSIRA Replacement of all office automation (print, fax, scanner, copy) with multifunction machines to save operational costs and energy Old computer equipment to be replaced with new ones to enhance performance and security of systems

REPORT OF THE AUDITOR-GENERAL TO PARLIAMENT ON THE FINANCIAL STATEMENTS OF THE PRIVATE SECURITY INDUSTRY REGULATORY AUTHORITY FOR THE YEAR ENDED 31 MARCH 2010

REPORT ON THE FINANCIAL STATEMENTS

Introduction

I have audited the accompanying financial statements of the Private Security Industry Regulatory Authority (PSIRA), which comprise the statement of financial position as at 31 March 2010, the statement of financial performance, statement of changes in equity and cash flow statement for the year then ended, and a summary of significant accounting policies and other explanatory information, as set out on pages 46 to 77.

Accounting authority's responsibility for the financial statements

The accounting authority is responsible for the preparation and fair presentation of these financial statements in accordance with South African Standards of Generally Recognised Accounting Practice (SA Standards of GRAP) and in the manner required by the Public Finance Management Act of South Africa, 1999 (Act No. 1 of 1999) (PFMA). This responsibility includes: designing, implementing and maintaining internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

Auditor-General's responsibility

As required by section 188 of the Constitution of South Africa and section 4 of the Public Audit Act of South Africa, 2004 (Act No. 25 of 2004) (PAA), my responsibility is to express an opinion on these financial statements based on my audit.

I conducted my audit in accordance with International Standards on Auditing and *General Notice 1570 of 2009* issued in *Government Gazette 32758 of 27 November 2009*. Those standards require that I comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my audit opinion.

Basis for qualified opinion

Value-added tax (VAT)

The PSIRA was listed as a schedule 3A public entity in September 2008. Public entities are exempt from VAT. However, the PSIRA was registered for VAT as a natural person prior to being listed. From December 2009, the PSIRA discontinued charging VAT on revenue and claiming VAT on expenses, pending the finalisation of the deregistration process per VAT Practice Note 39.

The ultimate outcome of a VAT audit by the South African Revenue Service (SARS) on the final deregistration could not be determined. Hence, sufficient and appropriate audit evidence could not be obtained with regard to the existence, valuation, allocation and completeness of the VAT liability of R16 074 638, as disclosed under trade and other payables per note 8 in the statement of financial position of the entity for the year ended 31 March 2010.

Qualified opinion

In my opinion, except for the matter described in the Basis for qualified opinion paragraph, the financial statements present fairly, in all material respects, the financial position of the PSIRA as at 31 March 2010, and its financial performance and its cash flows for the year then ended, in accordance with SA Standards of GRAP and in the manner required by the PFMA.

Emphasis of matters

I draw attention to the matters below. My opinion is not modified in respect of these matters:

Significant uncertainties

With reference to note 16 to the financial statements, the public entity is a defendant in a lawsuit. The public entity is opposing the claim, as it believes the claim to be fraudulent. The ultimate outcome of the matter cannot presently be determined, and no provision for any liability that may result has been made in the financial statements.

Restatement of corresponding figures

As disclosed in note 18 to the financial statements, the corresponding figures for 31 March 2009 have been restated as a result of errors discovered during 2009-10 in the financial statements of the PSIRA at, and for the year ended, 31 March 2009.

Fruitless and wasteful expenditure

As disclosed in note 23 to the financial statements, fruitless and wasteful expenditure of R310 991 was incurred because:

- assets purchased for branch offices were not delivered to them
- interest and penalties were paid to SARS for the short and late payment of PAYE.

Irregular expenditure

As disclosed in note 24 to the financial statements, irregular expenditure of R3 575 660 was incurred, mainly as a result of non-compliance with the supply chain management regulations.

Material losses through impairments

As disclosed in note 6 to the financial statements, material losses to the amount of R208 962 491 were incurred as a result of the impairment of debtors, due to poor collection practices and prior period errors noted in the amount of receivables as reported in prior financial years.

REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS

In terms of the PAA and *General Notice 1570 of 2009* issued in *Government Gazette 32758 of 27 November 2009*, I include below my findings on the report on predetermined objectives, compliance with the PFMA, Treasury Regulations (TR), Public Service Act, 1994 (Act No. 103 of 1994) (PSA) and Preferential Procurement Policy Framework Act, 2000 (Act No. 5 of 2000) (PPPFA), and financial management (internal control).

Predetermined objectives

Non-compliance with regulatory requirements

Inadequate quarterly reporting on performance information

The accounting authority did not establish procedures for quarterly reporting to the executive authority in order to facilitate effective performance monitoring, evaluation and corrective action as required by TR 30.2.1.

Lack of an effective, efficient and transparent system and internal controls regarding performance management

The accounting authority did not ensure that the PSIRA had and maintained an effective, efficient and transparent system and internal controls regarding performance management, which described and represented how the entity's processes of performance planning, monitoring, measurement, review and reporting would be conducted, organised and managed, as required in terms of section 51(1)(a)(i) of the PFMA.

Usefulness of reported performance information

The following criteria were used to assess the usefulness of the planned and reported performance:

- Consistency: Has the public entity reported on its performance with regard to its objectives, indicators and targets in its approved strategic plan, i.e. are the objectives, indicators and targets consistent between planning and reporting documents?
- Measurability: Are objectives made measurable by means of indicators and targets? Are indicators well defined and verifiable, and are targets specific, measurable and time bound?

The following audit findings relate to the above criteria:

Reported information not consistent with planned objectives, indicators and targets

The actual achievements with regard to 33% of all planned indicators and targets specified in the strategic plan were not consistent with those reported in the annual performance report submitted for audit purposes.

Planned and reported performance targets not specific, measurable and time bound

For the operations division programme, 50% of the planned and reported targets were not specific, measurable and time bound in identifying the required performance.

Reliability of reported performance information

The following criterion was used to assess the reliability of the planned and reported performance:

- Completeness: Have all actual results and events that should have been recorded been included in the reported performance information?

The following audit finding relates to the above criterion:

Lack of reporting on all predetermined objectives in the annual report.

The particulars of the PSIRA's strategic objectives and outcomes under the registration subprogramme as identified and agreed on by the executive authority in the strategic plan, were not reported in the annual performance report.

Compliance with laws and regulations

Public Finance Management Act, 1999 (Act No. 1 of 1999)

Non-adherence to requirements

- Contrary to the requirements of section 51(1)(a)(i) of the PFMA, the PSIRA did not have an efficient, effective and transparent system of financial and risk management (including an approved fraud prevention plan) and internal control.
- Contrary to the requirements of section 51(1)(a)(iv) and 51(1)(b) of the PFMA, the PSIRA did not have a system for properly evaluating all major capital projects prior to a final decision on the project and collecting all revenue due and did not have mechanisms to prevent irregular as well as fruitless and wasteful expenditure.
- Contrary to the requirements of section 52 of the PFMA, the final strategic plan and the projection of revenue and expenditure for the financial year were not submitted to the executive authority at least one month before the start of the financial year.
- Contrary to the requirements of section 53(1) of the PFMA, the accounting authority did not submit a budget to the executive authority for approval at least six months prior to the start of the financial year.
- Contrary to the requirements of section 53(3) of the PFMA, the PSIRA accumulated surpluses without obtaining formal approval from the National Treasury.
- Contrary to sections 51(1)(a)(ii) and 77(a) and (b) of the PFMA, the PSIRA did not have an audit committee.

Treasury Regulations

Contrary to the requirements of TR 31.1, the public entity did not have an effective cash management and investment policy.

INTERNAL CONTROL

I considered internal control relevant to my audit of the financial statements and the report on predetermined objectives and compliance with the PFMA, PSA and PPPFA, but not for the purposes of expressing an opinion on the effectiveness of internal control. The matters reported below are limited to the deficiencies identified during the audit.

Leadership

The PSIRA'S accounting authority (council) was only appointed in January 2010. Prior to that, the CEO was suspended and the CFO played the role of both the CEO and the CFO. Currently the PSIRA is busy appointing a director (CEO) who will then appoint deputy directors, including the finance deputy director. When this top management structure is in place, they will need to ensure oversight responsibility over compliance with applicable legislation, make sure that internal controls are in place and take action to address the risks identified in the financial and performance environment.

OTHER REPORTS

Investigations

Investigations in progress

Five investigations are being conducted with regard to two employees and three members (security officers) with respect to fraud and pending criminal cases with the Department of Police. Currently these employees and members are suspended.

Investigations completed during the financial year

Five investigations were conducted with regard to allegations against employees relating to theft, fraud and misconduct. In the proceedings on the fraud case, the employee was demoted. In all the other cases, settlements were reached but these matters were referred to the CCMA.

Auditor-General

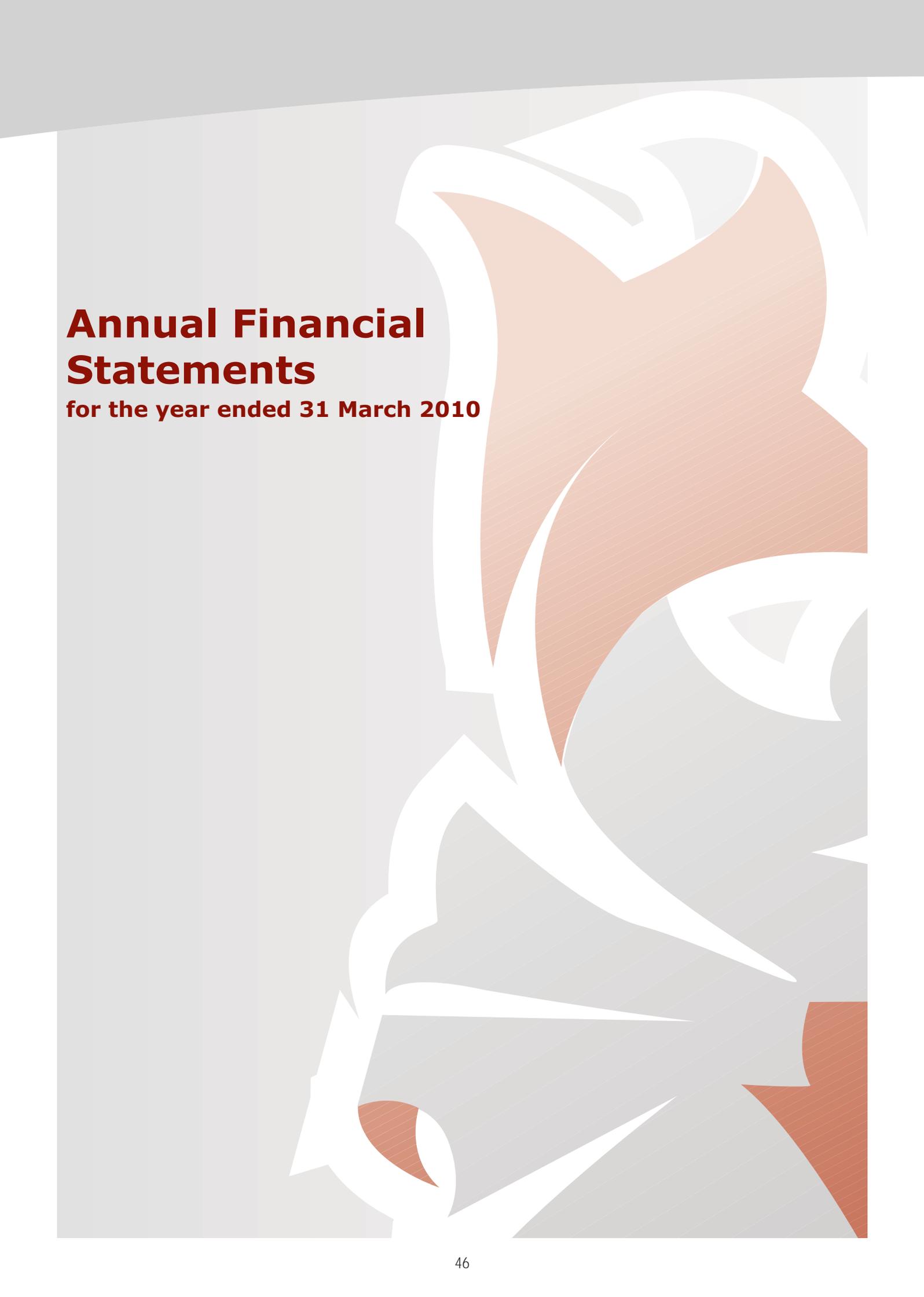
Pretoria

31 July 2010



AUDITOR-GENERAL
SOUTH AFRICA

Auditing to build public confidence



**Annual Financial
Statements**
for the year ended 31 March 2010

Private Security Industry Regulatory Authority

Annual Financial Statements for the year ended 31 March 2010

The reports and statements set out below comprise the annual financial statements presented to the parliament:

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Council's Responsibilities and Approval

The council is required by the Public Finance Management Act (Act 1 of 1999), to maintain adequate accounting records and are responsible for the content and integrity of the annual financial statements and related financial information included in this report. It is the responsibility of the council to ensure that the annual financial statements fairly present the state of affairs of the PSIRA as at the end of the financial year and the results of its operations and cash flows for the period then ended. The external auditors are engaged to express an independent opinion on the annual financial statements and was given unrestricted access to all financial records and related data.

The annual financial statements have been prepared in accordance with Standards of Generally Recognised Accounting Practices (GRAP).

The annual financial statements are based upon appropriate accounting policies consistently applied and supported by reasonable and prudent judgements and estimates.

The council acknowledge that they are ultimately responsible for the system of internal financial control established by the PSIRA and place considerable importance on maintaining a strong control environment. To enable the council to meet these responsibilities, the council sets standards for internal control aimed at reducing the risk of error or deficit in a cost effective manner. The standards include the proper delegation of responsibilities within a clearly defined framework, effective accounting procedures and adequate segregation of duties to ensure an acceptable level of risk. These controls are monitored throughout the PSIRA and all employees are required to maintain the highest ethical standards in ensuring the PSIRA's business is conducted in a manner that in all reasonable circumstances is above reproach. The focus of risk management in the PSIRA is on identifying, assessing, managing and monitoring all known forms of risk across the PSIRA. While operating risk cannot be fully eliminated, the PSIRA endeavours to minimise it by ensuring that appropriate infrastructure, controls, systems and ethical behaviour are applied and managed within predetermined procedures and constraints.

The council is of the opinion, based on the information and explanations given by management, that the system of internal control provides reasonable assurance that the financial records may be relied on for the preparation of the annual financial statements. However, any system of internal financial control can provide only reasonable, and not absolute, assurance against material misstatement or deficit.

The annual financial statements are prepared on the basis that the PSIRA is a going concern and that PSIRA has neither the intention nor the need to liquidate or curtail materially the scale of the PSIRA.

Although the council is primarily responsible for the financial affairs of the PSIRA, they are supported by the PSIRA's external auditors.

The annual financial statements set out on pages 4 to 33, which have been prepared on the going concern basis, were approved by the council on 30 July 2010 and were signed on its behalf by:



Mr Thula Bopela
Chairman of the Council

Accounting Authority's Report

The council submit their report for the year ended 31 March 2010.

1. Incorporation

The PSIRA was incorporated on 14 February 2002 in terms of Section 2(1) of the Private Security Industry Regulation Act, (Act No. 56 of 2001) and obtained its certificate to commence business on the same day.

2. Review of activities

Main business and operations

The PSIRA is engaged in regulatory authority of the private security industry and operates principally in South Africa. Net deficit of the PSIRA was R4,252,740 (2009: deficit R12,384,343).

3. Going concern

We draw attention to the fact that at 31 March 2010, the PSIRA had accumulated surplus of R13,686,415 and that the PSIRA's total assets exceed its liabilities by R13,686,415.

The annual financial statements have been prepared on the basis of accounting policies applicable to a going concern. This basis presumes that funds will be available to finance future operations and that the realisation of assets and settlement of liabilities, contingent obligations and commitments will occur in the ordinary course of business.

4. Subsequent events

The council is not aware of any matter or circumstance arising since the end of the financial year.

5. Accounting policies

The annual financial statements prepared in accordance with the prescribed Standards of Generally Recognised Accounting Practices (GRAP) issued by the Accounting Standards Board as the prescribed framework by National Treasury and in accordance with the South African Statements of Generally Accepted Accounting Practice (GAAP), including any interpretations of such Statements issued by the Accounting Practices Board.

6. Members

The council members of the PSIRA during the year and to the date of this report are as follows:

Name	Appointed
Mr. T.O. Bopela (Chairperson of Council)	04 January 2010
Ms. Z. Holtzman (Vice Chairperson of Council)	04 January 2010
Adv. A. Wiid	04 January 2010
Mr. A. Dramat	04 January 2010
Mr. S.K. Mnisi	23 February 2010

7. Secretary

The secretary of the PSIRA Council is Zanele Ngcobo.

8. Corporate governance

General

The council is committed to business integrity, transparency and professionalism in all its activities. As part of this commitment, the Council supports the highest standards of corporate governance and the ongoing development of best practice.

The PSIRA confirms and acknowledges its responsibility to total compliance with the Code of Corporate Practices and Conduct ("the Code") laid out in the King Report on Corporate Governance for South Africa 2002. The council discuss the responsibilities of management in this respect at Council meetings.

The salient features of the PSIRA's adoption of the Code is outlined below:

Council Members

The Council members:

- retains full control over the PSIRA, its plans and strategy;
- acknowledges its responsibilities as to strategy, compliance with internal policies, external laws and regulations, effective risk management and performance measurement, transparency and effective communication both internally and externally by the PSIRA;
- is of a unitary structure comprising:
 - non-executive Council members, all of whom are independent directors as defined in the Code; and
 - executive Council members.
- has established a Council membership continuity programme.

Chairperson and Director

The roles of Chairperson and the Director are separate, as set out in the PSIRA Act.

Internal audit

The PSIRA has outsourced its internal audit function to Sizwe Ntsaluba VSP. This is in compliance with the Public Finance Management Act (Act 1 of 1999).

9. Controlling entity

The PSIRA's controlling entity is Department of Police.

10. Auditors

Auditor-General of South Africa will continue in office for the next financial period.

Statement of Financial Position

	Note(s)	2010 R	2009 Restated R
Assets			
Current Assets			
Trade and other receivables	6	8,105,054	6,004,184
Cash and cash equivalents	7	23,941,101	31,964,146
		<u>32,046,155</u>	<u>37,968,330</u>
Non-Current Assets			
Property, Plant and Equipment	2	17,150,122	18,972,478
Intangible Assets	3	57,698	68,492
		<u>17,207,820</u>	<u>19,040,970</u>
Total Assets		<u>49,253,975</u>	<u>57,009,300</u>
Liabilities			
Current Liabilities			
Trade and Other Payables	8	34,089,128	34,695,267
Lease obligations	4	285,432	184,878
		<u>34,374,560</u>	<u>34,880,145</u>
Non-Current Liabilities			
Retirement benefit obligation	5	1,193,000	4,190,000
Total Liabilities		<u>35,567,560</u>	<u>39,070,145</u>
Net Assets		<u>13,686,415</u>	<u>17,939,155</u>
Net Assets			
Accumulated surplus / (deficit)		<u>13,686,415</u>	<u>17,939,155</u>

Statement of Financial Performance

	Note(s)	2010 R	2009 Restated R
Revenue	9	83,413,387	71,979,473
Other income		8,454,125	8,842,080
Operating expenses		(97,773,693)	(96,803,992)
Operating deficit		(5,906,181)	(15,982,439)
Interest received	12	2,018,780	3,598,096
Disposal of assets - untraceable assets		(361,614)	-
Finance Costs	13	(3,725)	-
Deficit for the year		(4,252,740)	(12,384,343)

Statement of Changes in Net Assets

	Accumulated surplus/ (deficit) R	Total net assets R
Balance as at 31 March 2008	13,924,458	13,924,458
Adjustments:		
Correction of prior year error	16,399,040	16,399,040
Balance at 01 April 2008 as restated	30,323,498	30,323,498
Changes in net assets		
Deficit for the year	(12,384,343)	(12,384,343)
Total changes	(12,384,343)	(12,384,343)
Balance at 01 April 2009	17,939,155	17,939,155
Changes in net assets		
Deficit for the year	(4,252,740)	(4,252,740)
Total changes	(4,252,740)	(4,252,740)
Balance at 31 March 2010	13,686,415	13,686,415

Cash Flow Statement

	Note(s)	2010 R	2009 Restated R
Cash flows from operating activities			
Cash receipts from customers		64,961,970	60,020,452
Cash paid to suppliers and employees		(74,021,796)	(60,400,837)
Cash used in operations	15	(9,059,826)	(380,385)
Interest income		2,018,780	3,598,096
Finance Costs		(3,725)	-
Net cash from operating activities		<u>(7,044,771)</u>	<u>3,217,711</u>
Cash flows from investing activities			
Purchase of property, plant and equipment	2	(934,373)	(1,573,714)
Sale of property, plant and equipment	2	-	6,667
Purchase of other intangible assets	3	(43,901)	(3,434)
Net cash from investing activities		<u>(978,274)</u>	<u>(1,570,481)</u>
Total cash movement for the year		<u>(8,023,045)</u>	<u>1,647,230</u>
Cash at the beginning of the year		31,964,146	30,316,916
Net increase (decrease) in cash and cash equivalents	7	<u>23,941,101</u>	<u>31,964,146</u>

Accounting Policies

1. Presentation of Annual Financial Statements

i. Reporting entity

The Private Security Industry Regulatory Authority (PSIRA) is an entity domiciled in South Africa. The address of the PSIRA is 481 Belvedere Street, Arcadia, Pretoria. The PSIRA is responsible for the regulation of the Private Security Industry as defined in the Private Security Industry Regulation Act (Act No. 56 of 2001).

ii. Statement of Compliance

The annual financial statements have been prepared in accordance with the South African Statements of Generally Accepted Accounting Practices (GAAP) including any interpretations of such Statements issued by the Accounting Practices Board, with the effective Standards of Generally Recognised Accounting Practices (GRAP) issued by the Accounting Standards Board replacing the equivalent GAAP Statement as follows:

Standard of GRAP

- GRAP 1: Presentation of financial statements
- GRAP 2: Cash flow statements
- GRAP 3: Accounting policies, changes in accounting estimates and errors
- GRAP 4: The effects of changes in foreign exchange rates
- GRAP 5: Borrowing costs
- GRAP 6: Consolidated and separate Financial Statements
- GRAP 7: Investments in Associates
- GRAP 8: Interest in Joint Ventures
- GRAP 9: Revenue from exchange transaction
- GRAP 10: Financial reporting in hyperinflationary economics
- GRAP 11: Construction contracts
- GRAP 12: Inventories
- GRAP 13: Leases
- GRAP 14: Events after reporting date
- GRAP 16: Investment property
- GRAP 17: Property, plant and equipment
- GRAP 19: Provisions, contingent liabilities
- GRAP 100: Non current assets held for sale and discontinued operations

- GRAP 101: Agriculture
- GRAP 102: Intangible assets

Replaced Statement of SA GAAP

- AC 101 (IAS 1): Presentation of financial statements
- AC 118 (IAS 7): Cash flow statements
- AC 103 (IAS 8): Accounting policies, changes in estimates and errors
- AC 112 (IAS 21): The effects of changes in foreign exchange rates
- AC 114 (IAS 23): Borrowing costs
- AC 132 (IAS 27): Consolidated and separate Financial Statements
- AC 110 (IAS 28): Investments in Associates
- AC 119 (IAS 31): Interest in Joint Ventures
- AC 111 (IAS 18): Revenue
- AC 109 (IAS 29): Financial reporting in hyperinflationary economics
- AC 109 (IAS 11): Construction contracts
- AC 108 (IAS 2): Inventories
- AC 105 (IAS 17): Leases
- AC107 (IAS 10): Events after balance sheet date
- AC 135 (IAS 40): Investment property
- AC 123 (IAS 16): Property, plant and equipment
- AC 130 (IAS 37): Provisions, contingent liabilities and contingent assets
- AC 142 (IFRS 5): Non current assets held for sale and discontinued operations

- AC 137 (IAS 41): Agriculture
- AC 129 (IAS 38): Intangible assets

Currently the recognition and measurement principles in the above GRAP and GAAP Statements do not differ or result in material differences in items presented and disclosed in the annual financial statements. The implementation of GRAP has resulted in the following changes in the presentation of the annual financial statements:

Terminology differences:

Standard of GRAP

- Statement of financial performance
- Statement of financial position
- Statement of changes in net assets
- Net assets
- Surplus/deficit for the year

Replaced Statement of SA GAAP

- Income statement
- Balance sheet
- Statement of changes in equity
- Equity
- Profit/loss for the year

Accumulated surplus/deficit
Contributions from owners
Distributions to owners
Reporting date

Retained earnings
Share capital
Dividends
Balance sheet date

iii. Cash Flow Statement

The cash flow statement can only be prepared in accordance with the direct method.

vi. Specific Information

Specific information has been presented separately on the statement of financial position such as:

- Receivables from non exchange transactions, including taxes and transfers;
- Taxes and transfers payable; and
- Trade and other payables from non exchange transactions.

v. Restriction on Cash Balances

Amount and nature of any restrictions on cash balances is required.

vi. Budget Information

The annual financial statements and the budget are prepared on the same basis of accounting. A reconciliation between the budget and the statement of financial performance has been included in note no 26. The PSIRA has not received a budget vote allocation during the current and the prior financial year.

vii. Functional Currency

These financial statements are presented in South African Rand, which is the functional currency, rounded to the nearest Rand.

viii. Use of Estimates and Judgements

A summary of the significant accounting policies, which have been consistently applied, are disclosed below.

These accounting policies are consistent with the previous period.

1.1 Significant Judgements and Sources of Estimation Uncertainty

In preparing the annual financial statements, management is required to make estimates and assumptions that affect the amounts represented in the annual financial statements and related disclosures. Use of available information and the application of judgement is inherent in the formation of estimates. Actual results in the future could differ from these estimates which may be material to the annual financial statements. Significant judgements include provision for bad debts.

Trade receivables

The PSIRA assesses its trade receivables for impairment at the end of each reporting period. In determining whether an impairment loss should be recorded in surplus or deficit, the surplus makes judgements as to whether there is observable data indicating a measurable decrease in the estimated future cash flows from a financial asset.

Impairment testing

The recoverable amounts of cash generating units and individual assets have been determined based on the higher of value in use calculations and fair values less costs to sell. These calculations require the use of estimates and assumptions.

The PSIRA reviews and tests the carrying value of assets when events or changes in circumstances suggest that the carrying amount may not be recoverable. Assets are grouped at the lowest level for which identifiable cash flows are largely independent of cash flows of other assets and liabilities. If there are indications that impairment may have occurred, estimates are prepared of expected future cash flows for each group of assets. Expected future cash flows used to determine the value in use of tangible assets are inherently uncertain and could materially change over time.

Post retirement benefits

The present value of the post retirement obligation depends on a number of factors that are determined on an actuarial basis using a number of assumptions. The assumptions used in determining the net cost (income) include the discount rate. Any changes in these assumptions will impact on the carrying amount of post retirement obligations.

The PSIRA determines the appropriate discount rate at the end of each year. This is the interest rate that should be used to determine the present value of estimated future cash outflows expected to be required to settle the pension obligations. In determining the appropriate discount rate, the PSIRA considers the interest rates of high-quality corporate bonds that are denominated in the currency in which the benefits will be paid, and that have terms to maturity approximating the terms of the related pension liability.

Other key assumptions for pension obligations are based on current market conditions. Additional information is disclosed in Note 5.

Allowance for doubtful debts

On debtors an impairment loss is recognised in surplus and deficit when there is objective evidence that it is impaired. The impairment is measured as the difference between the debtors carrying amount and the present value of estimated future cash flows discounted at the effective interest rate, computed at initial recognition.

1.2 Revenue Recognition

Revenue is recognised when it is probable that future economic benefit will flow to the enterprise and these benefits can be measured reliably.

1.2.1 Sale of Goods and Services

Sale of Goods and services comprises of fees collected from issue of identity cards, registration certificates.

1.2.2 Levies Received

Levies received comprises of income from annual fees charged to security service providers and security officers in terms of the Private Security Industry Regulation Act.

1.2.3 Fines and Penalties

Fines and penalties represents amounts payable to the PSIRA as a result of charges to security service providers who have been found guilty of misconduct.

1.2.4 Other Income

Other income comprises of registration as prescribed by the Private Security Industry Regulation Act.

1.2.5 Interest Received

Interest income is accrued on a time proportion basis, taking into account the capital outstanding and the effective interest rate over the period of maturity.

1.3 Property, Plant and Equipment

The cost of an item of property, plant and equipment is recognised as an asset when:

- it is probable that future economic benefits or service potential associated with the item will flow to the PSIRA; and
- the cost or fair value of the item can be measured reliably.

On initial recognition, an item of property, plant and equipment is measured at cost.

Costs include costs incurred initially to acquire or construct an item of property, plant and equipment and costs incurred subsequently to add to, replace part of, or service it. If a replacement cost is recognised in the carrying amount of an item of property, plant and equipment, the carrying amount of the replaced part is derecognised.

Recognition of costs in the carrying amount of an item of property, plant and equipment ceases when the item is in the location and condition necessary for it to be capable of operating in the manner intended by management.

Property, Plant and Equipment is carried at cost less accumulated depreciation and any impairment losses, except for land. Land is not depreciated and is carried at costs while buildings, furniture and fittings, office equipment, motor vehicles and computer equipment are written off on a straight basis over their estimated useful lives.

The estimated useful lives of the main categories of property, plant and equipment are as follows:

Item	Average useful life
Buildings	20 years
Furniture and fittings	10 years
Motor vehicles	5 years
Office equipment	5 years
Computer equipment	3 years

The gain or loss arising from the derecognition of an item of property, plant and equipment is included in surplus or deficit when the item is derecognised. The gain or loss arising from the derecognition of an item of property, plant and equipment is determined as the difference between the net disposal proceeds, if any, and the carrying amount of the item.

Depreciation

Each part of an item of property, plant and equipment with a cost that is significant in relation to the total cost of the item shall be depreciated separately.

The depreciation charge for each period is recognised in surplus or deficit unless it is included in the carrying amount of another asset.

Impairment of Assets

PSIRA is required in terms of GRAP 17 to assess at each statement of financial position date whether there is any indication that an asset may be impaired. If any such indication exists, the PSIRA estimates the recoverable amount of the asset.

1.4 Intangible Assets

An asset is identified as an intangible asset when it:

- is capable of being separated or divided from an entity and sold, transferred, licensed, rented or exchanged, either individually or together with a related contract, assets or liability; or
- arises from contractual rights or other legal rights, regardless whether those rights are transferable or separate from the PSIRA or from other rights and obligations.

Intangible Assets acquired by the PSIRA are measured at cost less accumulated depreciation and accumulated impairment losses.

Subsequent expenditure is capitalised only if it increase the future economic benefits embodied in the specific asset to which it relates. All other expenditure is recognised in surplus or deficit as incurred.

Amortisation is recognised in surplus or deficit on a straight-line basis over the estimate useful lives of intangible assets from the date that they are available for use. The estimate useful life for the current and comparative periods is three years.

The amortisation period and the amortisation method for intangible assets are reviewed at each reporting date.

Amortisation is provided to write down the intangible assets, on a straight line basis, to their residual values as follows:

Item	Useful life
Computer software, other	3 years

Intangible Assets are derecognised:

- on disposal; or
- when no future economic benefits or service potential are expected from its use or disposal.

The gain or loss is the difference between the net disposal proceeds, if any, and the carrying amount. It is recognised in surplus or deficit when the asset is derecognised.

1.5 Cash and Cash Equivalents

Cash and cash equivalents consist of the balance on the current account, cash on hand, call deposit balances including interest earned.

1.6 Trade and Other Receivables

Trade and other receivables consist of amounts charged in terms of the Private Security Industry Regulatory Act, 2001 (Act No. 56 of 2001) to the security industry but not yet settled by the trade debtors. Interest is charged on outstanding amounts as prescribed by the Private Security Industry Regulatory Authority Act. Amounts that are potentially irrecoverable are included in the disclosure notes. Trade receivables with credit balances are separately disclosed as trade and other payables. Refer to note 8, Trade and other payables for details.

Provision for Impairment of Trade Receivables

The PSIRA reassesses the recoverability of its trade receivables at the end of each reporting period. The outstanding amount owed of 60 days and over are considered as indicators that trade receivables are impaired.

The carrying amount of an asset is reduced through the provision for bad debt account, and the amount of the loss is recognised in surplus and deficit. Subsequent recoveries of amounts written off are credited against operating expenses in surplus and deficit.

1.7 Trade and Other Payables

Trade payables represent amounts owed to the third parties resulting from goods received or services rendered to the PSIRA prior to the end of the reporting period for which the PSIRA has not yet effected payment.

1.8 Non Derivative Financial Instruments

Classification

Non derivative financial instruments comprises of trade and other receivables, cash and cash equivalent and trade payables.

Initial recognition and measurement

Non derivative financial instruments are measured initially at fair value plus, for instruments not at fair value through surplus and deficit, any directly attributable transaction costs. Subsequent to initial recognition non-derivative financial instruments are measured as described below.

Trade and other receivables

Trade and other receivables outstanding at year end are carried in the statement of financial position at amortised cost less provision for impairment.

Trade and other payables

Trade payables are carried at fair value.

Cash and cash equivalents

Cash and cash equivalents comprise of cash on hand and demand deposits and are subject to an insignificant risk of changes in value. These are initially and subsequently recorded at fair value.

Recognition and Derecognition

A financial instrument is recognised if the PSIRA becomes party to the contractual provisions of the instrument. Financial assets are derecognised if the PSIRA's contractual rights to the cash flows from the financial assets expire.

Financial liabilities are derecognised if the PSIRA's obligations specified in the contract expire or are discharged or cancelled.

Offset

Financial assets and financial liabilities are offset and the net amount reported in the statements of financial position when the PSIRA has legally enforceable right to set off the recognised amounts, and intends either to settle on net basis, or to realise the asset and settle the liability simultaneously.

1.9 Employee Benefits

Short-term Employee Benefits

Short-term employee benefit obligations are measured on an undiscounted basis and are expensed as the related service is provided.

A liability is recognised for the amount expected to be paid under the short-term cash bonus if the PSIRA has a present legal or constructive obligation to pay this amount as a result of the past service provided by the employees and the obligation can be estimated reliably.

Defined Benefit Plan

The PSIRA's net obligation in terms of the defined benefit pension plan is calculated by estimating the amount of future benefit that employees have earned in return for their services in the current and prior periods. That benefit is discounted to determine its present value, and the fair value of any plan assets is deducted. The discount rate is the yield at the reporting date on instruments that have the same maturity dates that approximates the terms of the PSIRA's obligation. The calculation is performed by a qualified actuary using the projected unit credit method every three years.

When the benefit of a plan are improved, the portion of the increased benefit relating to past service by employees is recognised as an expense in surplus or deficit on a straight-line basis over the average period until the benefit become vested. To the extent that the benefit vest immediately, the expense is recognised immediately in surplus or deficit.

All actuarial gains and losses are recognised in the Statement of financial performance in the period that they occur.

When the calculation results in a benefit to the PSIRA, the recognised asset is limited to the net total of any unrecognised actuarial losses and the past service costs and the present value of any future refunds from the plan or reductions in contributions to the plan.

1.10 Provisions

Provisions are recognised when:

- the PSIRA has a present obligation as a result of a past event;
- it is probable that an outflow of resources embodying economic benefits or service potential will be required to settle the obligation; and
- a reliable estimate can be made of the obligation.

Provisions are not recognised for future operating surpluses.

1.11 Leases

A lease is classified as a finance lease if it transfers substantially all the risks and rewards incidental to ownership. A lease is classified as an operating lease if it does not transfer substantially all the risks and rewards incidental to ownership.

Operating Leases - Lessee

In terms of GRAP 13 rental payable under operating lease are charged to the statement of financial performance on a straight line basis over the term of the relevant lease. The PSIRA has accounted for the rental payable on the lease of offices on a straight line basis.

Rental payable under the operating leases has not been charged to the statement of the financial performance on a straight line basis over the term of the relevant leases as the majority of the leases are due to expire and the amount involved is considered not material.

1.12 Borrowing Costs

Borrowing costs are recognised as an expense in the period in which they are incurred.

1.13 Finance Income and Expenses

Finance income comprises interest income on funds invested. Interest income is recognised as it accrues in surplus or deficit, using the effective interest method.

Finance expenses comprise interest expense on borrowings. All borrowing cost are recognised in surplus or deficit using the effective interest rate method.

1.14 Tax

Normal Taxation

The PSIRA is exempted from normal taxation in terms of section 10 of the South Africa Income Tax Act, 1962 (Act No. 58 of 1962).

1.15 Impairment of assets

The PSIRA assesses at each end of the reporting period whether there is any indication that an asset may be impaired. If any such indication exists, the PSIRA estimates the recoverable amount of the asset.

Irrespective of whether there is any indication of impairment, the PSIRA also:

- tests intangible assets with an indefinite useful life or intangible assets not yet available for use for impairment annually by comparing its carrying amount with its recoverable amount. This impairment test is performed during the annual period and at the same time every period; and
- tests goodwill acquired in a business combination for impairment annually.

If there is any indication that an asset may be impaired, the recoverable amount is estimated for the individual asset. If it is not possible to estimate the recoverable amount of the individual asset, the recoverable amount of the cash-generating unit to which the asset belongs is determined.

The recoverable amount of an asset or a cash-generating unit is the higher of its fair value less costs to sell and its value in use.

If the recoverable amount of an asset is less than its carrying amount, the carrying amount of the asset is reduced to its recoverable amount. That reduction is an impairment loss.

An impairment loss of assets carried at cost less any accumulated depreciation or amortisation is recognised immediately in surplus or deficit. Any impairment loss of a revalued asset is treated as a revaluation decrease.

An impairment loss is recognised for cash-generating units if the recoverable amount of the unit is less than the carrying amount of the units. The impairment loss is allocated to reduce the carrying amount of the assets of the unit in the following order:

- first, to reduce the carrying amount of any goodwill allocated to the cash-generating unit; and
- then, to the other assets of the unit, pro rata on the basis of the carrying amount of each asset in the unit.

An PSIRA assesses at each reporting date whether there is any indication that an impairment loss recognised in prior periods for assets other than goodwill may no longer exist or may have decreased. If any such indication exists, the recoverable amounts of those assets are estimated.

The increased carrying amount of an asset other than goodwill attributable to a reversal of an impairment loss does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset in prior periods.

A reversal of an impairment loss of assets carried at cost less accumulated depreciation or amortisation other than goodwill is recognised immediately in surplus or deficit. Any reversal of an impairment loss of a revalued asset is treated as a revaluation increase.

1.16 Related Parties

Related parties are considered to be related if one party has the ability to control or jointly control the other party or exercise significant influence over the other party in making financial and operational decisions. Key management staff and their close family members are also regarded as related parties. Key Management staff is those persons having the authority and responsibility for planning.

1.17 Contingent Liabilities

A contingent liability is a possible obligation that arises from past events and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the PSIRA, or a present obligation that arises from past events but is not recognised because it is not probable that an outflow of resources embodying economic benefits will be required to settle the obligation, or the amount of the obligation cannot be measured with sufficient reliability.

1.18 Comparative Figures

Where necessary, comparative figures have been reclassified to conform to changes in presentation in the current year.

1.19 Fruitless and Wasteful Expenditure

Fruitless expenditure means expenditure which was made in vain and would have been avoided had reasonable care been exercised.

All expenditure relating to fruitless and wasteful expenditure is recognised as an expense in the statement of financial performance in the year that the expenditure was incurred. The expenditure is classified in accordance with the nature of the expense, and where recovered, it is subsequently accounted for as revenue in the statement of financial performance.

1.20 Irregular Expenditure

Irregular expenditure as defined in section 1 of the PFMA is expenditure other than unauthorised expenditure, incurred in contravention of or that is not in accordance with a requirement of any applicable legislation, including

- (a) this Act; or
- (b) the State Tender Board Act, 1968 (Act No. 86 of 1968), or any regulations made in terms of the Act; or
- (c) any provincial legislation providing for procurement procedures in that provincial government.

National Treasury practice note no. 4 of 2008/2009 which was issued in terms of sections 76(1) to 76(4) of the PFMA requires the following (effective from 1 April 2008):

Irregular expenditure that was incurred and identified during the current financial and which was condoned before year end and/or before finalisation of the financial statements must also be recorded appropriately in the irregular expenditure register. In such an instance, no further action is also required with the exception of updating the note to the financial statements.

Irregular expenditure that was incurred and identified during the current financial year and for which condonement is being awaited at year end must be recorded in the irregular expenditure register. No further action is required with the exception of updating the note to the financial statements.

Where irregular expenditure was incurred in the previous financial year and is only condoned in the following financial year, the register and the disclosure note to the financial statements must be updated with the amount condoned.

Irregular expenditure that was incurred and identified during the current financial year and which was not condoned by the National Treasury or the relevant authority must be recorded appropriately in the irregular expenditure register. If liability for the irregular expenditure can be attributed to a person, a debt account must be created if such a person is liable in law. Immediate steps must thereafter be taken to recover the amount from the person concerned. If recovery is not possible, the accounting officer or accounting authority may write off the amount as debt impairment and disclose such in the relevant note to the financial statements. The irregular expenditure register must also be updated accordingly. If the irregular expenditure has not been condoned and no person is liable in law, the expenditure related thereto must remain against the relevant programme/expenditure item, be disclosed as such in the note to the financial statements and updated accordingly in the irregular expenditure register.

Notes to the Annual Financial Statements

2. Property, Plant and Equipment

	2010			2009		
	Cost/ Valuation	Accumulation Depreciation	Carrying Value	Cost/ Valuation	Accumulated depreciation	Carrying value
Land	2,623,000	-	2,623,000	2,623,000	-	2,623,000
Buildings	5,658,859	(2,270,082)	3,388,777	5,658,859	(1,855,989)	3,802,870
Furniture and fittings	3,059,918	(1,011,733)	2,048,185	3,930,934	(1,248,752)	2,682,182
Motor vehicles	156,529	(103,080)	53,449	156,529	(78,923)	77,606
Office equipment	5,049,866	(2,345,091)	2,704,775	5,873,065	(2,377,148)	3,495,917
Computer equipment	7,747,076	(1,415,140)	6,331,936	10,762,483	(4,471,580)	6,290,903
Law books	32,882	(32,882)	-	32,882	(32,882)	-
Total	24,328,130	(7,178,008)	17,150,122	29,037,752	(10,065,274)	18,972,478

Reconciliation of property, plant and equipment - 2010

	Opening balance	Additions	Disposals	Depreciation	Impairment loss	Total
Land	2,623,000	-	-	-	-	2,623,000
Buildings	3,802,870	-	-	(414,093)	-	3,388,777
Furniture and fittings	2,682,182	61,961	(339,416)	(341,837)	(14,705)	2,048,185
Motor vehicles	77,606	-	-	(24,157)	-	53,449
Office equipment	3,495,917	140,569	(221,988)	(854,137)	(55,376)	2,704,775
Computer equipment	6,290,903	731,843	-	(660,623)	(30,187)	6,331,936
Total	18,972,478	934,373	(361,614)	(2,294,847)	(100,268)	17,150,122

Reconciliation of property, plant and equipment - 2009

	Opening balance	Additions	Disposal Cost	Disposals Accumulated Depreciation	Depreciation	Total
Land	2,623,000	-	-	-	-	2,623,000
Buildings	4,085,813	-	-	-	(282,943)	3,802,870
Furniture and fittings	3,027,807	61,262	(46,611)	24,037	(384,313)	2,682,182
Motor vehicles	101,762	-	-	-	(24,156)	77,606
Office equipment	3,238,915	1,088,670	-	-	(831,668)	3,495,917
Computer equipment	6,662,306	423,782	-	-	(795,185)	6,290,903
Total	19,739,603	1,573,714	(46,611)	24,037	(2,318,265)	18,972,478

Impairment of assets

At year end management reviewed the physical condition of the assets on the floor and found that several assets were not in a good working order. It was discovered that the PSIRA could not obtain any further future economic benefits or service potential associated with the assets. Due to the physical condition of the assets the PSIRA determined that there is no recoverable amount for the assets and that the fair value of the assets is nil. The net book value of the assets were impaired at 31 March 2010 with the value of R100,268.

A register containing the information required the Public Finance Management Act (Act 1 of 1999) is available for inspection at the registered office of the PSIRA.

3. Intangible Assets

	2010 R			2009 Restated R		
	Cost/ Valuation	Accumulation Amortisation	Carrying Value	Cost/ Valuation	Accumulated Amortisation	Carrying value
Computer software	836,029	(778,331)	57,698	792,127	(723,635)	68,492

Reconciliation of intangible assets - 2010

	Opening balance	Additions	Amortisation	Total
Computer software	68,492	43,901	(54,695)	57,698

Reconciliation of intangible assets - 2009

	Opening balance	Additions	Amortisation	Total
Computer software	153,466	3,434	(88,408)	68,492

4. Operating Lease Obligation

Lease payments (non cancellable leases-Buildings)

The PSIRA has branch offices in Johannesburg, Durban, Port Elizabeth, Cape Town and Mthatha where it leases offices for the purpose of servicing the security industry. The expenses incurred in honouring the lease agreements are included in surplus and deficit. The PSIRA straight lined its operating leases over the period of the lease contract. The future minimum lease payments under non cancellable leases are as follows:

	2010 R	2009 Restated R
Not later than one year	1,276,845	796,106
One to five years	4,894,102	1,978,684
	<u>6,170,947</u>	<u>2,774,790</u>
Current portion	285,432	184,878

5. Retirement Benefits

Carrying value	2010	2009
	R	Restated
		R
Present value of the fund obligations	21,299,000	18,603,000
Fair value of plan assets	(20,106,000)	(14,413,000)
Net liability / (asset)	<u>1,193,000</u>	<u>4,190,000</u>

The fair value of plan assets includes:

Defined benefit plan

The defined benefit plan, to which 100% of the employees (2009: 100%) belong, consists of the Sanlam Pension Fund governed by the Pension Fund Act of 1956. The number of employees covered by the plan are 187 (2009: 186). The plan is a final salary plan.

The AC116 report was prepared by independent actuarial valuers as at 31 March 2010. The statutory actuarial valuation are done triennially. The last statutory actuarial valuation was done as at 1 April 2007.

The assets of the Fund are invested in the Sanlam Alpha Bonus Portfolio. The Fund holds 14 860 unsold Sanlam shares at a fair value of R16.84 per share (2009: R24.87).

Reconciliation of present value of fund obligation:

Fund information for the year	2010	2009
	R	Restated
		R
Present value of fund obligation at the beginning of the year	18,603,000	16,128,000
Current service costs	3,036,000	2,402,000
Benefits paid	(1,396,000)	(1,546,000)
Interest costs	1,875,000	1,719,000
Actuarial gains / (losses)	(819,000)	(100,000)
Present value of fund obligation at the end of the year	<u>21,299,000</u>	<u>18,603,000</u>

Reconciliation of fair value of plan assets:

Fair value of plan assets at the beginning of the year	14,413,000	14,582,000
Expected return on plan assets	1,465,000	1,515,000
Contributions	5,330,000	3,881,000
Actuarial (gains) / losses	294,000	(4,019,000)
Benefits paid	(1,396,000)	(1,546,000)
Net (income) expense recognised in Statement of Performance	<u>20,106,000</u>	<u>14,413,000</u>

Staff costs

Amounts recognised in the Statement of Performance

	2010	2009
	R	Restated
		R
Current service costs	3,036,000	2,402,000
Interest on obligation	1,875,000	1,719,000
Expected return on plan assets	(1,465,000)	(1,515,000)
Net actuarial loss (gain) recognised in the year	(1,113,000)	3,919,000
Total expensed in the statement of financial performance	<u>2,333,000</u>	<u>6,525,000</u>

Actual return on assets	3,328,000	(1,096,000)
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Key Actuarial Assumptions in determining the above positions

Expected rate of return on plan assets (based on fixed interest government bonds)	9.60%	9.40%
Expected rate of salary increases (Inflation + 1%)	7.10%	7.50%
Pension increases	6.60%	6.10%
Average age	38.00	37.50
Expected average for late	27.00	27.50

The assets of the Fund are invested in the following 3 portfolios disclose at their market values:

Sanlam alpha bonus portfolio (2010: 96%; 2009: 94%)	19,357,000	14,011,000
Special home loans portfolio (2010: 2%; 2009: 4%)	432,000	601,000
14 860 unsold Sanlam shares (2010: 2%; 2009: 2%)	370,000	250,000
Value of assured pensions	-	12,000
Less adjustment for late payments and receipts	(53,000)	(461,000)
	<u>20,106,000</u>	<u>14,413,000</u>

5 year history

	2010/03/31	2009/03/31	2008/03/31	2007/03/31	2006/03/31
Present value of obligation	21,299,000	18,603,000	16,128,000	13,529,000	10,881,000
Present value of assets	20,106,000	14,413,000	14,582,000	13,434,000	10,431,000
Surplus (Shortfall)	(1,193,000)	(4,190,000)	(1,546,000)	(95,000)	(450,000)
Experience adjustment on liabilities	(819,000)	(100,000)	601,000	812,000	*
Experience adjustment on assets	1,863,000	(2,611,000)	(584,000)	1,461,000	*

* Information was not available at reporting date.

Expected contributions for 2011: **R7,401,490.**

6. Trade and other receivables

	2010	2009
	R	Restated R
Trade receivables	216,450,688	198,738,477
Less: Impairment of trade receivables	(208,962,491)	(193,013,527)
Deposits	82,959	105,655
Staff advances	84,540	44,278
Travel and subsistence	21,900	30,747
Prepayments	77,780	-
Other receivables	349,678	98,554
	<u><u>8,105,054</u></u>	<u><u>6,004,184</u></u>

Credit quality of trade and other receivables

The credit quality of trade and other receivables that are neither past nor due nor impaired can be assessed by reference to historical information about counterparty default rates:

Trade receivables

Trade and other receivables past due but not impaired

The ageing of trade receivables amounts past due but not impaired is as follows:

Not past due	1,985,061	859,366
Past due 0-30 days	5,628,365	5,751,272
Past due 31-60 days	2,494,510	1,416,075
More than three months	206,342,751	190,711,764
	<u><u>216,450,687</u></u>	<u><u>198,738,477</u></u>

Trade and other receivables impaired

The ageing of these trade receivables is as follows:

Past due 31-60 days	2,072,902	1,416,075
More than three months	206,889,589	191,597,452
	<u><u>208,962,491</u></u>	<u><u>193,013,527</u></u>

Reconciliation of provision for impairment of trade and other receivables

Balance at 1 April	193,013,527	165,412,363
Impairment loss recognised	15,948,964	27,601,164
	<u><u>208,962,491</u></u>	<u><u>193,013,527</u></u>

Based on historic default rates the PSIRA believes that no impairment allowances is necessary in respect of trade receivables not past due or past due by up to 30 days. The allowance account in respect of trade receivables is used to record impairment losses unless the PSIRA is satisfied that no recovery of the amount owing is possible; at that point the amount considered irrecoverable is written off against surplus or deficit.

7. Cash and cash equivalents

	2010	2009
	R	Restated
		R
Cash and cash equivalents consist of:		
Cash and balances with banks	4,146,220	4,825,208
Petty cash	9,800	10,019
Short-term deposits / investments	19,785,081	27,128,919
	<u>23,941,101</u>	<u>31,964,146</u>

Credit quality of cash at bank and short term deposits, excluding cash on hand

The credit quality of cash at bank and short term deposits, excluding cash on hand that are neither past due nor impaired can be assessed by reference to external credit ratings (if available) or historical information about counterparty default rates.

8. Trade and Other Payables

Trade payables	15,721,254	14,529,034
VAT	16,074,638	16,080,957
Accrual-Leave pay benefit	1,705,268	1,854,368
Staff bonuses	564,909	509,562
Staff contributions payables	23,059	-
Unallocated deposits received	-	1,721,346
	<u>34,089,128</u>	<u>34,695,267</u>

The VAT liability represents, a provision of accrued VAT prior to 1 April 2005 and a provision of VAT apportionment on input Vat claimed by the Authority prior to 30 November 2008.

The PSIRA was listed as a PFMA schedule 3A public entity in September 2008.

In September 2009, the Authority submitted an application for deregistration as a VAT vendor, following the listing as a schedule 3A public entity. In terms of practice note no 39, public authorities and public entities listed in parts A or C to the PFMA which were registered prior to April 2005 were therefore required to deregister with effect from that date. Relief from output tax normally due on this taxable event is provided to these entities in terms of provision (iv) to section 8(2) of the Act. As at the date of reporting 31 March 2010 the PSIRA's VAT deregistration was still under consideration by SARS.

9. Revenue

Sale of goods	5,077,831	2,943,462
Fines	3,019,918	3,481,115
Infrastructure assessment fees	2,810,730	2,190,376
Levies received	59,758,576	52,575,376
Registration fees	12,746,332	10,789,144
	<u>83,413,387</u>	<u>71,979,473</u>

10. Other Income

	2010	2009
	R	Restated R
Rental income - third party	171,930	-
Interest and penalties received (trade receivables)	7,126,662	6,014,538
Sundry income	1,155,533	2,827,542
	<u>8,454,125</u>	<u>8,842,080</u>

11. Employee Related Costs

Staff costs	<u>39,236,712</u>	<u>38,544,142</u>
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Included in staff costs are contributions to defined benefit plan of R 477,000 (2009: R 5,070,000).

12. Investment Revenue

Interest revenue		
Interest income on call deposits and loan receivables	<u>2,018,780</u>	<u>3,598,096</u>

13. Finance Costs

Other interest paid	<u>3,725</u>	<u>-</u>
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14. Auditors' Remuneration

Fees	<u>1,562,364</u>	<u>729,881</u>
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15. Cash Used in Operations

(Deficit) / Surplus as per statement of financial performance	(4,252,740)	(12,384,343)
Adjustments for:		
Depreciation	2,349,545	2,406,674
Deficit on sale of assets	-	15,907
Disposal of assets - untraceable assets	361,614	-
Interest received	(2,018,780)	(3,598,096)
Finance Costs	3,725	-
Impairment deficit	100,268	-
Movements in operating lease assets and accruals	100,554	23,075
Movements in retirement benefit assets and liabilities	(2,997,001)	2,644,000
Changes in working capital:		
Trade and other receivables	(2,100,870)	(1,246,143)
Trade and Other Payables	(606,141)	11,758,541
	<u>(9,059,826)</u>	<u>(380,385)</u>

16. Contingencies

Jan Adriaan du Plessies and Ghita Erling v the PSIRA. The matter has been finalised but the fees are still outstanding. The estimated fees are R38,652.

C. S Keba t/a Uluntu Training Centre v the PSIRA. The matter is in regards of code of conduct disputes. At the end of the financial year the estimated cost relating to the case was R150,000.

B.T Ngema v the PSIRA. The settlement of the matter is estimated at R48,000. The legal fees is estimated at R75,000.

17. Related Parties

Relationships

Controlling entity

Department of Police

The PSIRA is wholly owned by the the National Government of South Africa represented by the Minister of Police. In South Africa, state controlled entities are referred to as public entities in the national and provincial spheres of Government and municipal entities in the municipal sphere of government. The PSIRA is a public entity in the national sphere of government and is thus related to other public entities in the national sphere of government.

Related party balances

	2010 R	2009 Restated R
Amounts included in Trade receivable (Trade Payable) regarding related parties		
South African Revenue Service	23,059	101,418

Related party transactions

Payments made to related parties

South African Revenue Service	739,398	454,449
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18. Prior period errors

Trade and other receivables

Trade and other receivables previously stated	5,889,779
Increase in sundry income	3,134
(Decrease) in sundry income	(2,266)
Increase in trade receivables due to reversal of provision for bad debts	6,468,484
Increase in registration fees	1,052,169
Increase in trade receivables due to reversal of provisions	11,288,404
Increase in sundry income	172,841
Increase in other income	515,290
Increase in other income	398,415
(Decrease) in trade receivables due to reversal of provision for bad debts	(6,468,484)
(Decrease) in trade receivables due to reversal of bad debts	(13,313,582)
	<u><u>6,004,184</u></u>

Correction of error relating to the accrued VAT calculated from accrued income of prior years. Prior to 31 March 2009, income was accounted on a cash basis. The opening balance of accumulated surpluses has been adjusted, while comparative amounts were restated accordingly.

In 2009 value added taxation was incorrectly allocated in the financial statements. The financial statements have been restated to correct this error. The effect of the restatement on those financial statements is summarised above.

In 2009 other income, registration fees, other provisions and provision for bad debts were incorrectly allocated in the financial statements. The financial statements have been restated to correct this error. The effect of the restatement on those financial statements is summarised above.

Property, Plant and Equipment	2010	2009
	R	Restated R
Property, Plant and Equipment previously stated		
2009:		10,471,550
Decrease in accumulated depreciation: Computer Equipment		
Prior 2009:		220,772
Decrease in accumulated depreciation: Computer Equipment		5,045,689
Decrease in accumulated depreciation: Furniture & Fittings		174,267
Decrease in accumulated depreciation: Motor Vehicles		7,150
Decrease in accumulated depreciation: Office Equipment		1,298,653
Reclassification of software to intangible assets		
Decrease in Cost: Computer equipment		(792,128)
Decrease in accumulated depreciation: Computer Equipment		723,635
Capitalise cost to generator's		-
Increase in Cost: Office Equipment		43,000
Increase in accumulated depreciation: Office Equipment		(3,447)
2009:		
Increase in accumulated depreciation: Computer Equipment		(164,251)
Increase in accumulated depreciation: Office Equipment		(47,765)
Increase in accumulated depreciation: Furniture & Fittings		(191,583)
Prior 2009:		
Increase in accumulated depreciation: Computer Equipment		(149,801)
Increase in accumulated depreciation: Office Equipment		(43,185)
Increase in accumulated depreciation: Furniture & Fittings		(186,141)
Increase in cost: Computer Equipment		492,753
Increase in cost: Office Equipment		238,823
Increase in cost: Furniture & Fittings		1,915,826
2009:		
Decrease in cost: Computer Equipment		(43,647)
Decrease in cost: Office Equipment		(27,969)
Decrease in cost: Furniture & Fittings		(11,605)
Decrease in accumulated depreciation: Computer Equipment		1,882
		18,972,478

The effect on the Statement of Financial Performance is to reduce the depreciation charge with R220,772 in the 2009 financial year. The effect on the accumulated surplus was R6,525,759 relating to prior to 2009 financial year.

At year end the PSIRA reviewed the computer software and determined to reclassify the software to intangible assets. The reclassification of the intangible assets decreased the cost of computer equipment with R792,128 and the accumulated depreciation with R723,635.

At year end it was discovered that transport costs relating to generators bought in 2009 was not capitalised to the assets. The effect in 2009 is an increase in office equipment of R43,000 and an increase in depreciation of R3,447.

At 31 March 2010, the PSIRA assessed the useful life of all property plant and equipment. Certain assets with Rnil book value and still in use have been assessed for its remaining useful life. The effect is that these assets life span may vary from the estimated useful lives of the main categories of property, plant and equipment for the PSIRA. These assets will be re assessed at the next financial year end.

At 31 March 2010, PSIRA determined that certain assets did not appear on the fixed asset register. The assets were physically verified, but could not be traced to the Pastel asset register. The assets were added to the asset register in the prior financial years to reflect the correct book values.

Trade and other payables

	2010	2009
	R	Restated R
Trade and other payables previously stated		(34,121,018)
(Increase) in other provisions		(11,288,405)
(Increase) in VAT provision		(7,395)
Decrease in VAT provision		733,615
		<u><u>(44,683,203)</u></u>

Correction of error relating to the accrued VAT calculated from accrued income of prior years. Prior to 31 March 2009, income was accounted on a cash basis. The opening balance of accumulated surpluses has been adjusted, while comparative amounts were restated accordingly. The effect of the restatement on those financial statements is summarised above.

Lease obligations

Lease obligation previously stated	(442,761)
Decrease in lease obligations 2009	43,528
Decrease in lease obligations prior to 2009	214,355
	<u><u>184,878</u></u>

In 2009 the lease obligation was not disclosed to represent the deferred lease obligations. The financial statements have been restated to correct this error. The effect of the restatement on those financial statements is summarised above. There is no effect in 2010.

Property, plant and equipment

Law Books: Cost	32,882
Law Books: Accumulated depreciation	(32,882)
	<u><u>-</u></u>

In 2009 the Law books were not reflected in the financial statements. The 2010 financial statements have been restated to correct this error. The effect of the restatement on those financial statements is summarised above.

Sundry Income

Sundry income previously stated	149,840
Decrease in sundry income	(2,266)
Increase in sundry income	3,133
Increase in sundry income	172,841
Reclassification of Infrastructure assessment	(11,947)
	<u><u>311,601</u></u>

In 2009 sundry income was understated in the financial statements. The 2010 financial statements have been restated to reflect the correct amount. The effect of the restatement on those financial statements is summarised above.

Interest and penalties interest

	2010	2009
	R	Restated R
Interest and penalties interest previously stated		2,194,654
Increase in Interest received due to reallocation to proper account		321,839
Increase in Penalties due to reallocation to proper account		3,498,045
		<u><u>6,014,538</u></u>

In 2009 interest and penalties interest was understated in the financial statements. The 2010 financial statements have been restated to reflect the correct amount. The effect of the restatement on those financial statements is summarised above.

Sale of goods and services

Sale of goods and services previously stated	(7,670,894)
Decrease in certificate income	5,236,972
Increase due to reallocation from trade receivables	(509,540)
	<u><u>(2,943,462)</u></u>

In 2009 sale of goods and services was overstated in the financial statements. The 2010 financial statements have been restated to reflect the correct amount. The effect of the restatement on those financial statements is summarised above.

Fines and penalties

Fines and penalties previously stated	(935,192)
Increase due to reallocation from certificate income	(2,545,923)
	<u><u>(3,481,115)</u></u>

In 2009 fines and penalties was understated in the financial statements. The 2010 financial statements have been restated to reflect the correct amount. The effect of the restatement on those financial statements is summarised above.

Registration fees

Registration fees previously stated	(9,735,423)
Increase due to reallocation from trade receivables	(1,052,169)
Increase in registration fees	(1,552)
	<u><u>(10,789,144)</u></u>

In 2009 registration fees was understated in the financial statements. The 2010 financial statements have been restated to reflect the correct amount. The effect of the restatement on those financial statements is summarised above.

Provision for bad debts

	2010	2009
	R	Restated
		R
Provision for bad debts previously stated		14,287,581
Increase in provision for bad debts		13,313,583
		<u><u>27,601,164</u></u>

In 2009 the provision for bad debts was understated in the financial statements. The 2010 financial statements have been restated to reflect the correct amount. The effect of the restatement on those financial statements is summarised above.

19. Comparative Figures

Certain comparative items in the annual financial statements were retrospectively reclassified.

Leave pay liability has been reclassified from provisions to accruals within trade and other payables. In addition, there was a prior period error relating to trade and other receivables that were restated in 2009. Refer to note 18, prior period errors.

Re assessment of infrastructure has been reclassified from sundry income to Infrastructure assessment. In addition, there was a prior period error to trade and other receivables that were restated in 2009. Refer to note 18, prior period errors.

Certain amounts in the disclosure note for retirement benefits were restated.

The effects of the reclassification are as follows:

Statement of financial position

Trade and other payables	34,695,269	32,266,650
Provision reclassified as trade and other payables	-	1,854,368
Prior period error	-	10,562,185
	<u><u>34,695,269</u></u>	<u><u>44,683,203</u></u>

Statement of financial performance

Sundry income	277,169	149,840
Prior period error	-	173,708
Re assessment of infrastructure income reclassified as Infrastructure assessment	-	(11,947)
	<u><u>277,169</u></u>	<u><u>311,601</u></u>

Retirement benefits

Fund obligation

Current service costs	2,402,000	1,001,000
Contributions	-	1,455,000

Staff costs

Actuarial gains / (Losses)	(100,000)	(154,000)
Contributions	3,881,000	2,480,000
Actuarial (gains) / Losses	(4,019,000)	(2,618,000)
	<u><u>2,164,000</u></u>	<u><u>2,164,000</u></u>

20. Risk Management

2010 **2009**
R **Restated**
R **R**

20.1 Liquidity Risk

The following are the contractual maturities of financial liabilities, including estimated interest payments and excluding the impact of netting agreements.

20.1.2. Liquidity Risk Management

The PSIRA is successfully managing this risk by ensuring that sufficient funds are available to meet the financial obligations in line with the cash-flow forecasts.

20.2 Interest Rate Risk

The PSIRA is exposed to interest rate risk as it invests funds in the money market at fixed and floating interest rates. This is managed by investing the PSIRA's surplus funds in short term investments, thereby taking advantage of the maximum rates available from time to time from money market.

20.2.1.1. Exposure to Interest Rate Risk

The following table reflects the market value of the call and term deposits:

Call and term deposits	<u>19,785,081</u>	<u>27,128,919</u>
------------------------	-------------------	-------------------

The PSIRA measures the value of the call and term deposits for the purpose of its financial statements at market value. As such, the market risk variable to which the PSIRA is exposed in terms of these assets is interest rates.

Sensitivity Analysis: Interest Rate Movements

The sensitivity analysis focuses on cash flow sensitivity (the impact on future interest-related cash flows). It is understood that while interest rate changes may not have a significant impact on the fair value of the call and term deposits, they would impact variable interest cash flows.

20.3 Credit Risks

The PSIRA is exposed to credit risk emanating from possible failure by its clients (trade receivable) to meet their contractual obligations.

The PSIRA is in the process of developing a debt collection strategy and risk management policy in an effort to minimise its exposure to credit risk.

Trade and other receivables relate mainly to fees payable by the security services providers and security officers registered with the PSIRA.

At the reporting date there were no significant concentrations of credit risk. The maximum exposure to credit risk is represented by the carrying amount of each financial asset in the Statement of Financial Performance.

20.3.1. Exposure to Credit Risk

The carrying amounts of the financial assets represent the maximum credit exposure. The maximum exposure to credit risk at the reporting date was:

Trade and other receivables	<u>8,388,114</u>	<u>6,004,184</u>
-----------------------------	------------------	------------------

20.4 Maturity Analysis

Within one year

	2010	2009
	R	Restated
		R
Trade and other payables	45,035,541	44,683,203
Trade and other receivables	8,388,114	6,004,184
	<u>53,423,655</u>	<u>50,687,387</u>

21. Going Concern

We draw attention to the fact that at 31 March 2010, the PSIRA had accumulated surpluses of R 13,686,415 and that the PSIRA's total assets exceed its liabilities by R13,686,415.

The annual financial statements have been prepared on the basis of accounting policies applicable to a going concern. This basis presumes that funds will be available to finance future operations and that the realisation of assets and settlement of liabilities, contingent obligations and commitments will occur in the ordinary course of business.

22. Events after the reporting date

After 31 March 2010 the entity reviewed the unallocated deposits account and were able to allocate the amounts to debtor's. The PSIRA has subsequently adjusted the financial statements to reflect the proper amount in the proper period.

Prior to 2008

Unallocated deposits previously stated	9,347,548
Deposits allocated to trade debtors	(7,471,992)
	<u>1,875,556</u>

2009

Unallocated deposits previously stated	11,709,279
Deposits allocated to trade debtors	(9,987,932)
	<u>1,721,347</u>

2010

Unallocated deposits previously stated	11,794,686
Deposits allocated to trade debtors	(11,794,686)
	<u>-</u>

23. Fruitless and Wasteful Expenditure

Rental expenses

A lease agreement signed on 1 July 2006 leasing premises that are not utilised by the PSIRA. The contract was legally binding and expired on 30 November 2009. The amounts paid since the date of inception amounted to R370,994. The building was sublet to the minimise the actual rental losses. The recovered amount is R46,700.

During the current year further fruitless & wasteful expenditure of R310,991 was incurred as a result of

- (a) Assets purchased for branch offices not yet delivered to them.
- (b) Interest and penalties paid over to SARS for short and late payments of PAYE.

24. Irregular Expenditure

Opening balance

	2010	2009
	R	R
Opening balance	36,388	-
Add: Irregular Expenditure - current year	3,575,660	36,388
Less: Amounts condoned	-	-
Less: Amounts recoverable (not condoned)	-	-
Less: Amounts not recoverable (not condoned)	-	-
	<u><u>3,612,04</u></u>	<u><u>836,388</u></u>

Analysis of expenditure awaiting condonation per age classification

Current year	3,575,660	36,388
Prior years	36,388	-
	<u><u>3,612,048</u></u>	<u><u>36,388</u></u>

Details of irregular expenditure – current year

	Disciplinary steps taken/criminal proceedings	
Incident 1 - Appointment of service provider to address historical challenges	None	1,589,106
Incident 2 - Acquisition of software licences	None	1,245,114
Incident 3 - Expenses for advertising	None	57,483
Incident 4 - Payment to lawyers without going through SCM process		683,957
		<u><u>3,575,660</u></u>

Details of irregular expenditure condoned

None of the irregular expenditure was condoned.

Details of irregular expenditure recoverable (not condoned)

None of the irregular expenditure is recoverable.

Details of irregular expenditure not recoverable (not condoned)

Incident 1 - Appointment of service provider to address historical challenges	1,589,106
Incident 2 - Acquisition of software licences	1,245,114
Incident 3 - Expenses for advertising	57,483
Incident 4 - Payment to lawyers without going through SCM process	683,957
	3,575,660

Incident 1 - Appointment of service provider to address historical challenges dating back to 2002 and beyond, including matters that formed the basis of the disclaimer in 2008/2009. The initial appointment of the service provider was fully compliant with the supply chain regulations that amounted to R995,778.35. Subsequent to year end the contract has been extended to an amount of R593,327.25. The required notification to National Treasury within ten days, to inform of the extension of the contract has not been done within the required time frames.

Incident 2 - Acquisition of computer software licenses at a value of R1,245,114.29.

Incident 3 - Advertisement of vacant positions (Three quotes not obtained) for the current year R57,483.36 and for the prior year R36,388.

Incident 4 - Payment to lawyers without going through supply chain management process.

25. Council and Senior Management Emoluments

Refer to Appendix A for the disclosure of Council and Senior Management Emoluments.

26. Reconciliation Between Accounting and Budgeted Profit

Economic Classification	2010 R	2009 Restated R
Net surplus as per statement of Financial Performance	(4,252,740)	
Levies - Over budget	(4,767,076)	
Other income - Under budget	1,090,784	
Employee benefits expense - Under budget	(4,606,288)	
Other Operating Expenses - Under budget	7,350,751	
Finance costs - Over budget	3,725	
Disposal of assets	361,614	
Budgeted Profit	(4,819,230)	

Detailed Statement of Financial Performance

Revenue		2010	2009
		R	R
Sale of goods and services		5,077,831	2,943,462
Fines		3,019,918	3,481,115
Infrastructure assessment fees		2,810,730	2,190,376
Levies received		59,758,576	52,575,376
Registration fees		12,746,332	10,789,144
	9	<u>83,413,387</u>	<u>71,979,473</u>
Other income			
Rental income		171,930	-
Interest and penalties interest		7,126,662	6,014,538
Interest received	12	2,018,780	3,598,096
Sundry Income		1,155,533	2,827,542
		<u>10,472,905</u>	<u>12,440,176</u>
Expenses (Refer to page 79)		<u>(97,773,693)</u>	<u>(96,803,992)</u>
Operating deficit		(3,887,401)	(12,384,343)
Finance Costs	13	(3,725)	-
Loss on disposal of fixed assets		(361,614)	-
		<u>(365,339)</u>	<u>-</u>
Deficit for the year		<u>(4,252,740)</u>	<u>(12,384,343)</u>

The supplementary information presented does not form part of the annual financial statements and is unaudited

Detailed Statement of Financial Performance

Operating expenses	Notes	2010 R	2009 R
Advertising and publications		300,341	70,472
Auditors remuneration	14	1,562,364	729,881
Bank charges		378,583	225,729
Cleaning		540,710	567,064
Consulting and professional fees		7,211,449	4,461,476
Councillors expenses		471,349	299,449
Depreciation, amortisation and impairments		2,449,813	2,406,674
Employee related costs		39,236,712	38,544,142
Fingerprint costs		8,313,834	5,155,323
Insurance		319,503	316,786
Internal audit fees		248,717	-
Legal fees		3,748,371	2,727,906
Lease rentals on operating lease		100,554	23,077
Loss on disposal of assets		-	15,907
Office rent and operating expenses		2,091,994	1,379,913
Postage and courier		837,585	729,981
Printing and stationery		2,505,149	2,082,605
Provision for bad debts		15,948,964	27,601,164
Rental of office machines		930,272	780,634
Repairs and maintenance		658,435	989,080
Security – Safeguarding officers and assets		2,756,977	1,842,046
Seminar / Functions		447,902	560,692
Service hire of equipment		187,163	-
Software licenses		117,732	29,833
Staff training		123,830	259,702
Sundry expenses		288,068	93,125
Subscriptions		116,111	112,375
Telephone, fax and diginet costs		3,325,940	2,608,020
Travelling – local		2,555,271	2,190,936
		<u>97,773,693</u>	<u>96,803,992</u>

The supplementary information presented does not form part of the annual financial statements and is unaudited

Annexure A

Council and Senior Management Emoluments

Council Members

	Office Held	Term	Council Fees	Salary	Travel	Other	Total (R) 2010	Total (R) 2009
Mr. T O Bopela	Chairperson	Appointed 4 January 2010	-	318,845	63,590	3,943	386,378	-
Ms Z Holtzman	Deputy Chairperson	Appointed 4 January 2010	-	-	29,361	-	29,361	-
Adv A Wiid	Council member	Appointed 4 January 2010	37,900	-	3,948	1,956	43,804	-
Mr A Dramat	Council member	Appointed 4 January 2010	-	-	7,778	-	7,778	-
Mr SK Mnisi	Council member	Appointed 23 February 2010	-	-	7,928	-	7,928	-
Adv NA Ramatlodi	Chairperson	1 April to 31 August 2008	-	-	-	-	-	49,070
Dr F Randeru	Deputy Chairperson	1 April to 31 August 2008	-	-	-	-	-	33,735
Dr CT Ndlovu	Council member	1 April to 31 August 2008	-	-	-	-	-	22,500
Mr SL Majombozi	Council member	1 April to 31 August 2008	-	-	-	-	-	88,860
Ms M de Haas	Council member	1 April to 31 August 2008	-	-	-	-	-	105,284
TOTAL			37,900	318,845	112,605	5,899	475,249	299,449

Council and Senior Management Emoluments

Senior Management Staff

	Salary	Bonuses	Car Allowance	Pension Contribution	Medical Aid Contribution	Acting Allowance	Other	Other Contributions	Total (R) 2010	Total (R) 2009
Chief Executive Officer										
- Appointed 1 April 2004										
- 22 July 2009	142,769	33,063	27,385	17,013	6,456	-	169,774	3,897	400,356	785,444
- Appointed 1 March 2010	61,762	-	5,798	7,720	1,479	-	-	739	77,498	-
Chief Financial Officer										
- Appointed 1 August 2007	476,030	46,489	96,000	58,851	7,551	30,286	18,000	7,420	740,627	639,282
General Manager: Operations										
- Appointed 1 July 2003	404,499	38,845	82,200	49,987	28,092	52,595	1,375	6,709	664,302	633,297
Chief Information Officer										
- Appointed 3 September 2007	431,683	46,035	138,000	53,273	66,980	-	-	7,166	743,138	680,177
General Manager: Human Resources										
- Appointed 20 August 2007										
- 30 May 2008	-	-	-	-	-	-	-	-	-	118,970
TOTAL	1,516,744	164,432	349,383	186,844	110,558	82,881	189,149	25,931	2,625,921	2,857,170

Acronyms

BAC	Business Against Crime
CFR	Central Firearms Registry
DOL	Department of Labour
EE	Employment Equity
ETQA	Education and Training Quality Assurer
FSB	Financial Services Board
GRAP	Generally Recognised Accounting Practice
GSSC	Government Sector Security Council
HR	Human Resources
IAEA	International Atomic Energy Agency
IITT	Intergrated Investigative Task Team
KZN	Kwazulu Natal
LOC	Local Organising Committee
MITT	Ministerial Intervention Task Team
MOU	Memorandum of Understanding
NIA	National Intelligence Agency
NIT	National Investigation Team
NJPST	National Joint Planning Support Team
NPA	National Prosecuting Authority
NOF	National Qualifications Framework
PFMA	Public Finance Management Act
PJPST	Provincial Joint Planning Support Team
PSIRA	Private Security Industry Regulatory Authority
PSSPF	Private Security Sector Provident Fund
PWHC	Price Water House Coopers
SABS	South African Bereua of Standards
SAIS	South African Institute of Security
SAPS	South African Police Service
SAQA	South African Qualification Authority
SASSETA	Safety and Security Sector Education and Training Authority
SATAWU	South African Transport and Allied Workers Union
SCM	Supply Chain Management
SIA	Security Industry Alliance
SOP	Standard Operating Procedure
UPS	Uninterrupted Power Supply
WSP	Workplace Skills Plan



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