



PSiRA

Private Security Industry Regulatory Authority

STRATEGIC PLAN 2012/17

BRIEFING TO THE PORTFOLIO COMMITTEE ON POLICE

16 MAY 2012



PSIRA
Private Security Industry Regulatory Authority

DELEGATION

PRIVATE SECURITY INDUSTRY REGULATORY AUTHORITY



Name	Position
Ms. Z Holtzman	Deputy Chairperson
Mr. MS Chauke	Director
Mr. PP Mthethwa	Deputy Director – Law Enforcement
Mr. DKN Ligege	Deputy Director – Finance
Ms. Z Ngcobo	Office of the Chairperson of Council
Ms. M Moroaswi	Communications

PRESENTATION OVERVIEW

- PART A – Strategic Context
 - Our Mandate
 - Situational Analysis
 - Strategic Focus
 - Progress on 2011/12 Objectives
- PART B – Strategic Objectives
 - PSIRA Enforcement Model
 - Strategic Objectives



PRESENTATION OVERVIEW

- Part C – Annual Performance Plan
 - Programme 1: Law Enforcement
 - Programme 2: Finance and Administration
 - Programme 3: Communications and Training
 - Programme 4: Corporate Services
- Part D – Medium Term Budget
 - Revenue Budget
 - Operational Budget
 - Capital Budget
- **Part E – IT Strategy and Conclusion**



PSIRA BUSINESS STRATEGY

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PSIRA MANDATE

- Industry compliance with national laws and overall effectiveness
- Industry compliance with fair labour practices
- Effective service delivery
- Promotion of BEE and EE in the industry
- Protection of users' interests

SITUATIONAL ANALYSIS

PRIVATE SECURITY INDUSTRY REGULATORY AUTHORITY



EXTERNAL CHALLENGES

- Ever-increasing risk to the safety and security of South Africa and its citizens through the infiltration of the security industry by sophisticated criminal syndicates
- Rapid growth and expansion of the security industry, requiring both a broader regulatory geographic footprint as well as more resources to ensure effective coverage and enforcement

SITUATIONAL ANALYSIS

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EXTERNAL CHALLENGES

- Increased number of illegal operators
- Need to provide improved access to PSIRA whilst improving service delivery to stakeholders
- Increased technological complexity of the security industry
- Need to support greater control over firearms within the industry

SITUATIONAL ANALYSIS

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EXTERNAL CHALLENGES

- Foreign involvement in the private security industry
- South African security companies operating outside of South Africa's borders
- Unfair labour practices in the industry
- Damaged reputation of PSIRA

SITUATIONAL ANALYSIS

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INTERNAL CHALLENGES

- Scope and footprint
- Governance, leadership and management
- Stakeholder relationships
- Financial management
- Funding model
- Processes, systems, skills and capabilities

STRATEGIC FOCUS

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Key Areas

Introduction of the PSIRA Amendment Bill to parliament

- Securing Cabinet approval of the Amendment bill
- Introduction of the Amendment bill to parliament
- Approval of the PSIRA Amendment Act
- Integration of databases

STRATEGIC FOCUS

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Key Areas

Review of Industry Annual fees

- Review of Industry Annual Fees
- Consultations on annual Fees Reviews
- Publication of review annual fees

Focusing on performance

- Defined Key Performance Indicators for every job profile
- Monitor performance on a regular basis and
- Implement an effective individual performance management system at all levels of the organisation;

STRATEGIC FOCUS

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Key Areas

Implementing a new law enforcement/compliance strategy

- Plan aims change behaviour in the industry and
- improving voluntary compliance
- through the implementation of proactive and preventive approach
- with the overall objective of reducing cases of illegalities;

PART B

STRATEGIC OBJECTIVES



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STRATEGIC OBJECTIVES 1

Industry Stewardship (Knowledge and Advocacy)

- To ensure full understanding of the industry and to begin to respond to industry needs and challenges, so as to be recognised as “the industry experts”



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STRATEGIC OBJECTIVES 2

Stakeholder and Customer Relationship Management

- To ensure meaningful and fruitful engagement with all stakeholders



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STRATEGIC OBJECTIVES 3

Financial Management and Funding

- **To be a financially stable and sustainable organisation (increase revenue, decrease costs, and achieve at least breakeven)**



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STRATEGIC OBJECTIVES 4

Excellent Service Delivery (Effective Regulation)

- To enable effective compliance and enforcement of PSIRA legislation in order to achieve behavioural changes in the industry



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STRATEGIC OBJECTIVES 5

Efficient and Effective Processes and Systems

- To ensure that adequate processes and systems are in place to effectively carry out the mandate of PSIRA



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STRATEGIC OBJECTIVES 6

Effective Learning and Development

- To ensure that PSIRA has competent and skilled employees that are able to execute their tasks effectively



STRATEGIC OBJECTIVES 7

Enabling Environment (Organisational Culture)

- To ensure that the authority has a culture of learning embracing excellence that supports our vision and strategy



PART C

ANNUAL PERFORMANCE

PLAN



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PROGRAMME 1 LAW ENFORCEMENT

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Purpose

The purpose of this programme is to enable effective compliance and enforcement of PSIRA legislation in order to achieve behavioural changes in the industry

Outcomes

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

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

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

Outcome 4: PSIRA processes cases efficiently

P1: PERFORMANCE INDICATORS AND ANNUAL TARGETS

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Strategic Objectives (outputs)	Key Performance Indicators (KPIs)	Baseline	2012-13	2013-14	2014-15
Effective law enforcement process (improved compliance level)	Number of additional law enforcement inspectors recruited	None	10	10	10
Learning and Development	Percentage of inspectors trained on the Firearms Control Act	None	100%	100%	100%
Effective law enforcement process (improved compliance level)	Number of inspections conducted at security businesses	2 800	3240	4440	5640
Effective law enforcement process (improved compliance level)	Number of inspections conducted on security officers	New indicator	19 440	26 640	33 840
Publish compliance programmes (improved compliance level)	Number of publications (quarterly)	New indicator	4	4	4
Conduct industry firearms audits	Date for the completion of firearms audit	New indicator	Sept 2012	Sept 2013	Sept 2014



Purpose

The main purpose of this program is to:

- To be a financially stable and sustainable organisation (increase revenue, decrease costs, and achieve at least breakeven)
- To ensure that adequate processes and systems are in place to effectively carry out the mandate of PSIRA

PROGRAMME : 2 FINANCE AND ADMINISTRATION

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This program consists of the following components:

Finance and Administration

This component provides revenue management, effective financial management, and auxiliary services to the Authority

Business Information and Technology

The Business Information and Technology department was established and capacitated during 2011-12 financial year. Its establishment allowed for termination of previously outsourced services. Services rendered to the Authority include, development and maintenance of enterprise solutions as well as support to users.

Supply Chain Management

This component administers acquisition of goods and services in line with the Public Finance Management Act as well as preferential procurement regulations.

Internal audit

This component reports to the Audit Committee and the Accounting officer. It provides internal audit service such as compliance and performance audits based on the approved Internal Audit Plan.



Outcomes

Outcome 1: PSIRA is financially sustainable entity

Outcome 2: PSIRA has cutting edge technology

P2: PERFORMANCE INDICATORS AND ANNUAL TARGETS

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Strategic Objectives (outputs)	Key Performance Indicators (KPIs)	Baseline	2012-13	2013-14	2014-15
Revenue management	Date for go-live of the online account payment facility (i.e. benchmarked to SARS)	New indicator	31 March 2013	n/a	n/a
Revenue management	Percentage of revenue collected for billed accounts	77%	85%	90%	95%
Revenue management	Turnaround time for collection of billed accounts.	Unknown	50 days	40 days	30days
Compliance with PFMA regulations and accounting standards	Frequency of reporting Financial Performance	Monthly	Monthly	Monthly	Monthly
Revenue management	Frequency for conducting review of fines regulations	New indicator	Annually	Annually	Annually
Budget management	Frequency for conducting a Liquidity Plan (effective cash flow management)	Monthly	Monthly	Monthly	Monthly
Compliance with PFMA regulations and accounting standards	Percentage achievement of PFMA checklist	New indicator	100%	100%	100%
Budget management	% of Surplus/deficit Budget variance	+/-5%	+/-5%	+/-3%	+/-2%
Budget management	Ratio of working capital management	0.59:1 current ratio	1.2:1 current ratio	2:1 current ratio	2:1 current ration



Purpose

The main purpose of this program is to:

- To ensure meaningful and fruitful engagement with all stakeholders
- To ensure full understanding of the industry and to begin to respond to industry needs and challenges, so as to be recognised as “the industry experts”

PROGRAMME: 3 COMMUNICATIONS AND TRAINING

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This program consists of the following components:

Communication and Marketing

This component provides effective communication and liaison between the Authority and its key stakeholders such as the industry, media, organs of states and users of private security services.

Training

The *Training* component oversees training of prospective and registered security service providers. Its objective is to promote high standards in the training of security service providers and prospective security service providers

Research

The Authority has planned to establish a Research component. This component will undertake research into the private security industry over the medium term. Research output will be used to strengthen the regulatory programmes.



Outcomes

Outcome 1: The standard of private security training is improved

Outcome 2: PSIRA is a centre of excellence in private security research

P3: PERFORMANCE INDICATORS AND ANNUAL TARGETS

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Strategic Objectives (outputs)	Key Performance Indicators (KPIs)	Baseline	2012-13	2013-14	2014-15
Excellent Service Delivery (Effective Regulation)	Turn-around time for the processing of course reports	7 Days	5 Days	3 Days	1 Day
Excellent Service Delivery (Effective Regulation)	Number of appropriate training programmes for all classes of security service providers.	13	22	22	22
Excellent Service Delivery (Effective Regulation)	Date for the registration of PSiRA as a Professional Body in terms of the NQF Act	New indicator	September 2012	n/a	n/a
Excellent Service Delivery (Effective Regulation)	Date for the promulgation of regulations for new training skills programmes	New indicator	September 2012	n/a	n/a
Industry Stewardship	Number of completed areas of research that are of high priority topics	New indicator	2 research topics	4 research topics	10 research topics
Excellent Service Delivery (Effective Regulation)	Frequency for issuing of industry media statements	New indicator	Quarterly	Quarterly	Quarterly

PROGRAMME : 4 CORPORATE SERVICES

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Purpose

The purpose of this program is to:

- To ensure that PSIRA has competent and skilled employees that are able to execute their tasks effectively
- To ensure that the authority has a culture of learning embracing excellence that supports our vision and strategy

This program consists of one component:

Human Capital Management

This component provides the Authority with corporate services and strategic support to ensure that there is continuous human resources, learning and development.

Outcomes

Outcome 1: PSIRA has competent, ethical and skilled workforce

P4: PERFORMANCE INDICATORS AND ANNUAL TARGETS

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Strategic Objectives (outputs)	Key Performance Indicators (KPIs)	Baseline	2012-13	2013-14	2014-15
Learning and Development	% Compliance to Targets in the Skills Development Plan	New indicator	100%	100%	100%
Recruitment processes	Turnaround Time for the Recruitment of Employees	Unknown	3 month (From Approval of Request)	3 month (From Approval of Request)	3 month (From Approval of Request)
Culture Architecture	% Compliance to Targets in the Change Management Plan	No Change Management Plan	100%	100%	100%
Performance Management	Frequency of assessment of performance for all staff	Only EXCO	Quarterly	Quarterly	Quarterly
Employee satisfaction	Frequency of employee satisfaction surveys	Annually	Annually	Annually	Annually
Human Resources Management	Date for the Approval of the HR Retention Strategy by Council	No HR Retention Strategy	30 September 2012	Implementation of Strategy	Implementation of Strategy
Disciplinary processes	Turnaround Time for the Conclusion of Disciplinary Hearing	Unknown	30 Days	30 Days	30 Days

PART D

MEDIUM TERM BUDGET



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OVERVIEW OF THE PRESENTATION

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- Highlights and Lowlights for 2011-12 FY
- Trend analysis
- Overview of 2012-13 MTEF
- MTEF per programme
- Revenue estimates
- Capital Investment Programme
- Emerging risks

HIGHLIGHTS

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- 33 % increase in total revenue : R97m (2011) to **R129m** ascribed to
- 20% increase in Annual fees : R64m (2011) to **R77m**
- Training fee income from R2.1m (2011) to **R16.4m**
- 90 % increase in Fine income : R5.5m (2011) to **R10.7m**
- Annual fee regulations promulgated and implemented in Jan 2012

LOWLIGHTS

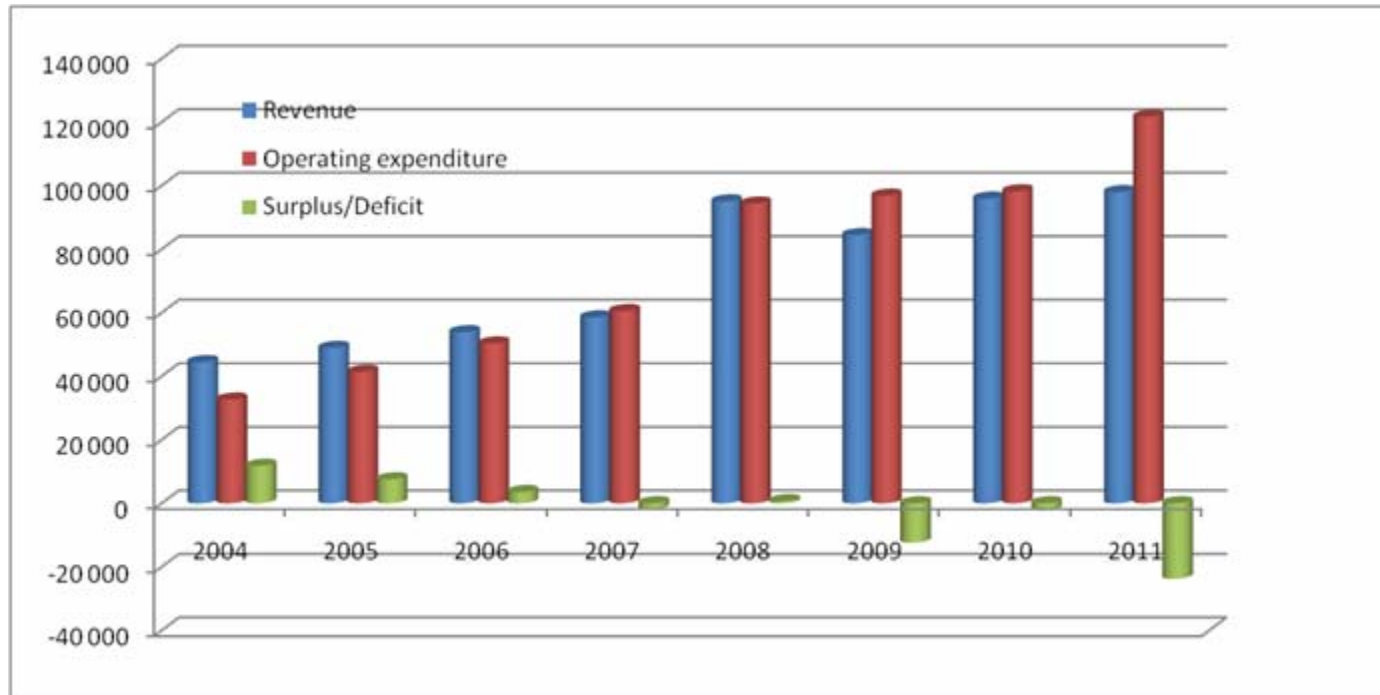
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- Legal action – 2011 Annual Fee Regulations
- Going concern challenges
- Projected deficit of **R10m**
- Increased costs to due unplanned office relocation

TREND ANALYSIS

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

OVERVIEW OF THE MTEF

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- **Factors influencing revenue growth**

- 2011 Annual fee Regulations
- New fee structure:
- Business annual fee R4 250
- Security Officers' annual fee R84
- Monthly Business fee R7.00 for each SO employed

- **Turnaround Factors influencing expenditure growth**

- Development an Integrated Business Information System
- Corporate Identity Rollout
- Additional appointments (inspectors, and professional staff)
- Industry Research

MTEF PER PROGRAMME

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Programmes	%	2012/13	2013/14	2014/15
Programme 1 – Law Enforcement	38%	66 029 573	73 949 801	80 749 715
Programme 2 – Finance and Administration	35%	60 247 131	55 771 906	54 928 891
Programme 3 – Communication and Training	15%	25 983 855	27 543 921	29 393 831
Programme 4 – Corporate Services	12%	20 875 906	22 044 593	23 540 343
Total expenditure estimates	100%	173 136 466	179 310 221	188 612 780

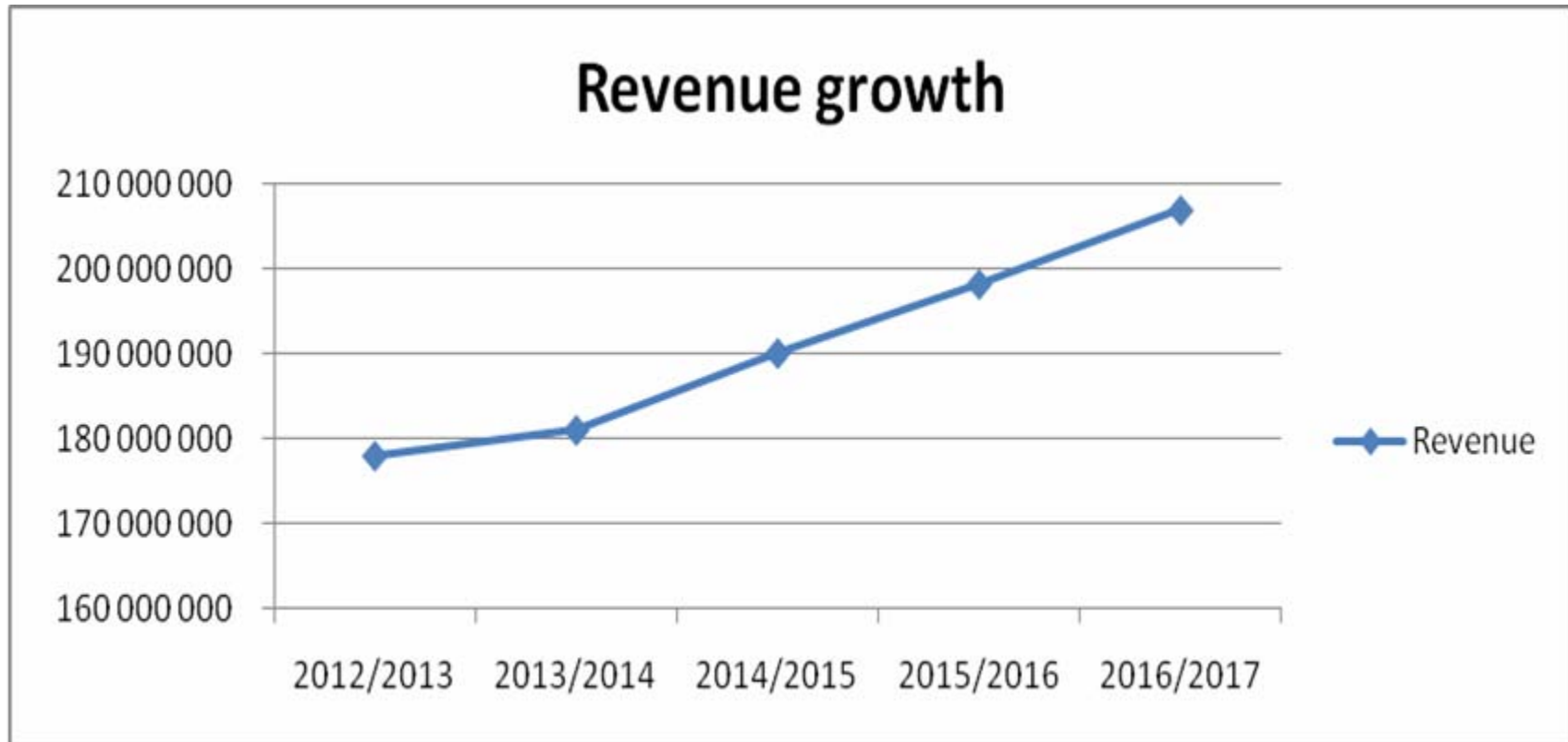
REVENUE AND SURPLUS ESTIMATES

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REVENUE AND SURPLUS ESTIMATES

PRIVATE SECURITY INDUSTRY REGULATORY AUTHORITY



CAPITAL INVESTMENT PROGRAM

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Asset category	2012/13	2013/14	2014/15
Motor vehicles	350 000	0	0
Buildings infrastructure	50 000	0	0
Computer equipment	2 245 500	162 000	309 000
Software	6 760 000	6 837 000	7 349 775
Office equipment	677 500	0	0
Office furniture	1 004 940	61 836	71 700
Leasehold improvements	745 000	0	0
Total capital expenditure	11 832 940	7 060 836	7 730 475

EMERGING RISKS

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- **Emerging risks**

- Legal action by Private Security Industry
- Seeks to set aside 2011 Annual fee Regulations
- Risk exposure (R40 million of revenue)
- Risk to achieving programmes

- **Risk mitigation**

- Seek alternative funding

STRATEGIC PLAN AND BUDGET



THANK YOU