



**PSiRA**  
Private Security Industry Regulatory Authority

## **Private Security Industry Regulatory Authority**

### **Annual Performance Plan**

**2012/13**

**For the Fiscal Years 2012/13-2014/15**

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## Foreword

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

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

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

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

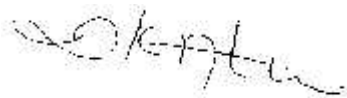
## Official sign-off

It is hereby certified that this Strategic Plan:

- Was developed by the management of the Private Security Industry Regulatory Authority under the guidance of the Council.
- Takes into account all the relevant policies, legislation and other mandates for which the Private Security Industry Regulatory Authority is responsible.
- Accurately reflects the strategic outcome oriented goals and objectives which the Private Security Industry Regulatory Authority will endeavour to achieve over the period 2012/13-2014/15.



Mr. Manabela S Chauke  
**Director**



Mr. Dzivhuluwani KN Ligege  
**Deputy Director: Finance and Administration**

Approved by:

A handwritten signature in black ink, appearing to read 'Thula O Bopela', written in a cursive style.

Mr. Thula O Bopela  
**Chairperson of the Council**

## **PART A: STRATEGIC OVERVIEW**

### **1. Introduction**

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

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

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

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

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

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

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

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

The new programmes are identifiable as follows:

**PROGRAMME 1 : LAW ENFORCEMENT**

**PROGRAMME 2: FINANCE AND  
ADMINISTRATION**

**PROGRAMME 3: COMMUNICATION AND  
TRAINING**

**PROGRAMME 4: CORPORATE SERVICES**

The outcomes for the medium term are as follows:

- ✓ *Outcome 1: PSIRA is an excellent regulator and accessible to all*
- ✓ *Outcome 2: A legitimate private security industry characterised by professionalism, transparency and trustworthiness*
- ✓ *Outcome 3: Firearms in the private security industry are fully accounted for*
- ✓ *Outcome 4: PSIRA processes cases efficiently*
- ✓ *Outcome 5: PSIRA is financially sustainable entity*
- ✓ *Outcome 6: PSIRA has cutting edge technology*
- ✓ *Outcome 7: The standard of private security training is improved*
- ✓ *Outcome 8: PSIRA is a centre of excellence in private security research*
- ✓ *Outcome 9: PSIRA has competent, ethical and skilled workforce*

## 2. Legislative mandate

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

- a) promote a legitimate private security industry which acts in terms of the principles contained in the Constitution and other applicable law;
- b) ensure that all security service providers act in the public and national interest in the rendering of security services;
- c) promote a private security industry which is characterized by professionalism, transparency, accountability, equity and accessibility;
- d) promote stability of the private security industry;
- e) promote and encourage trustworthiness of security service providers;
- f) determine and enforce minimum standards of occupational conduct in respect of security service providers;
- g) encourage and promote efficiency in and responsibility with regard to the rendering of security services;
- h) promote, maintain and protect the status and interests of the occupation of security service provider;
- i) ensure that the process of registration of security service providers is transparent, fair, objective and concluded timeously;
- j) promote high standards in the training of security service providers and prospective security service providers;
- k) encourage ownership and control of security businesses by persons historically disadvantaged through unfair discrimination;
- l) encourage equal opportunity employment practices in the private security industry;
- m) promote the protection and enforcement of the rights of security officers and other employees in the private security industry;
- n) ensure that compliance with existing legislation by security service providers is being promoted and controlled through a process of active monitoring and investigation of the affairs of security service providers;
- o) protect the interests of the users of security services;
- p) promote the development of security services which are responsive to the needs of users of such services and of the community;
- q) promote the empowerment and advancement of persons who were historically disadvantaged through unfair discrimination in the private security industry.

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**Table 1 – Mandate Assessment**

| Focus Area  | Mandate Components  | Criticality Rank | Performance Evaluation  |
|---|---|------------------|---|
| Industry compliance with Constitution, laws and national interest (legitimate industry) and overall industry effectiveness (model and reputation) | a. promote a legitimate private security industry which acts in terms of the principles contained in the Constitution and other applicable law<br>b. ensure that all security service providers act in the public and national interest in the rendering of security services<br>c. promote a private security industry which is characterized by professionalism, transparency, accountability, equity and accessibility<br>d. promote stability of the private security industry<br>e. promote and encourage trustworthiness of security service providers<br>g. encourage and promote efficiency in and responsibility with regard to the rendering of security services<br>j. promote high standards in the training of security service providers and prospective security service providers<br>n. ensure that compliance with existing legislation by security service providers is being promoted and controlled through a process of active monitoring and investigation of the affairs of security service providers | 2                | <ul style="list-style-type: none"> <li>▪ Performance relatively well, however focus should shift to emerging risks</li> <li>▪ There should be emphasis driving compliance by the industry</li> <li>▪ There should be emphasis on criminal investigations</li> <li>▪ There should be emphasis on firearms control in the private security industry</li> </ul>  |
| Industry compliance with fair labour practices  | f. determine and enforce minimum standards of occupational conduct in respect of security service providers<br>h. promote, maintain and protect the status and interests of the occupation of security service provider<br>m. promote the protection and enforcement of the rights of security officers and other employees in the private security industry  | 4                | <ul style="list-style-type: none"> <li>▪ Exploitation of workers remains prevalent in the industry</li> <li>▪ Need better coordination with Department of Labour</li> <li>▪ There should be improvement in relations with unions</li> </ul>   |
| Effective service provision   | i. ensure that the process of registration of security service providers is transparent, fair, objective and concluded timeously  | 3                | <ul style="list-style-type: none"> <li>▪ Turnaround times for registrations has improved significantly</li> <li>▪ Administrative controls have improved during the past year through establishment of Registrations Committee</li> <li>▪ Registration processes have been standardised</li> <li>▪ In the future, there should be emphasis on improving technology and business information systems (ERP)</li> </ul> |
| Promotion of BEE and EE in the industry   | k. encourage ownership and control of security businesses by persons historically disadvantaged through unfair discrimination<br>l. encourage equal opportunity employment practices in the private security industry<br>q. promote the empowerment and advancement of persons who were historically disadvantaged through unfair discrimination in the private security industry   | 5                | <ul style="list-style-type: none"> <li>▪ In the past PSIRA has done very little in demonstrating progress in this area</li> <li>▪ Future legislative amendments seek to address this</li> </ul>   |
| Protection of users' interests  | o. protect the interests of the users of security services<br>p. promote the development of security services which are responsive to the needs of users of such services and of the community  | 1                | <ul style="list-style-type: none"> <li>▪ Lack of research)</li> <li>▪ Lack of PSIRA's visibility (Geographical footprint)</li> </ul>  |



### 3. Vision, Mission and Values

#### ***Vision***

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

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

#### ***Mission***

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

#### ***Values***

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

#### **Values Framework for PSIRA**



#### **4. Performance Management**

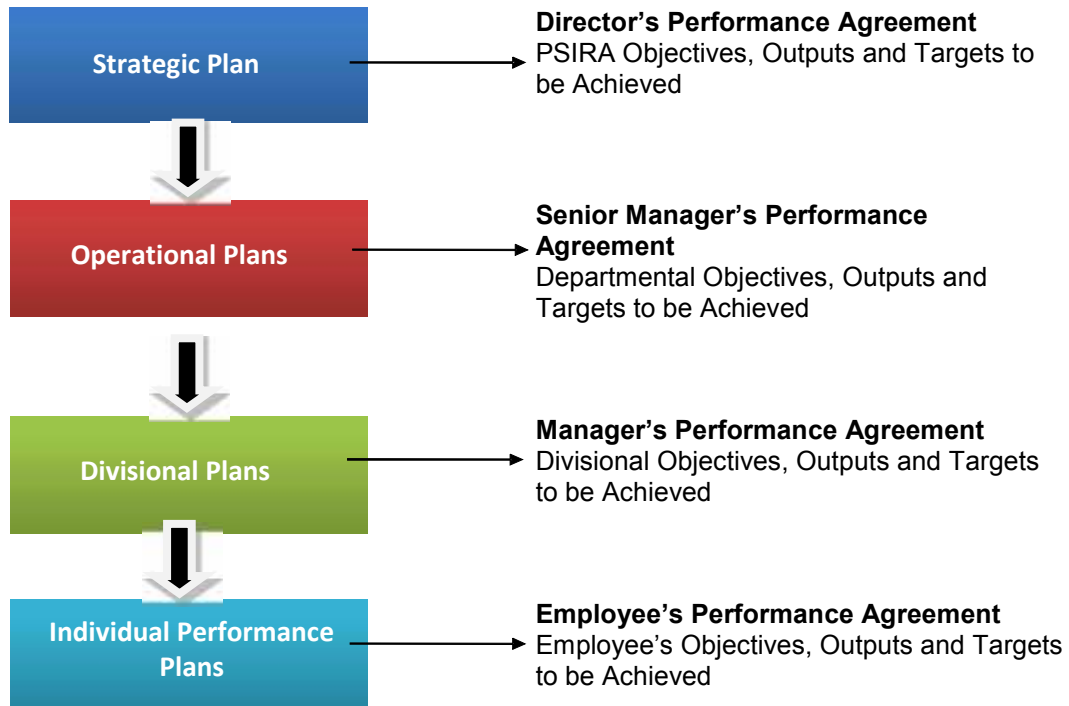
One of the key outcomes in the Strategic Plan was the need to reposition human capital to ensure alignment of the Human Resources Strategy with the overall organisational strategy contained in the Strategic Plan through the review of the organisational structure, the redevelopment of job profiles and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

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

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

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

### Performance management framework



## PART B: PROGRAMME AND SUB-PROGRAMME PLANS

### 5. PROGRAMME 1 : LAW ENFORCEMENT

#### 5.1 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

#### 5.2 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

#### 5.3 P1: STRATEGIC OBJECTIVES (OUTPUTS), INDICATORS AND TARGETS FOR 2012 - 2015

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

| Strategic Objectives (outputs)                                | Key Performance Indicators (KPIs)   | Baseline      | 2012-13   | 2013-14      | 2014-15   |
|---|---|---------------|-----------|--------------|-----------|
| Effective law enforcement process (improved compliance level) | <b>Date</b> for the completion of PSIRA / SAPS Firearm Registry integration                         | New indicator | n/a       | October 2013 | n/a       |
| Effective law enforcement process (improved compliance level) | <b>Percentage</b> of Code of Conduct dockets finalised from investigation to prosecution in 90 days | 60 %          | 70%       | 80%          | 90%       |
| Effective law enforcement process (improved compliance level) | <b>Percentage</b> of code of conduct contraventions successfully prosecuted                         | 75%           | 80%       | 90%          | 95%       |
| Stakeholder Relationship Management                           | <b>Frequency</b> of reporting to NATJOINTS / PROVJOINTS on private security related matters         | None          | Quarterly | Quarterly    | Quarterly |
| Stakeholder Relationship Management                           | <b>Frequency</b> of reporting to SSA on security breaches in Security Industry                      | None          | Quarterly | Quarterly    | Quarterly |
| Performance Management  | <b>Frequency</b> of assessment of staff performance   | Quarterly     | Quarterly | Quarterly    | Quarterly |
|   |   |               |           |              |           |
| Stakeholder Relationship Management                           | <b>Number</b> of provincial industry compliance forums established                                  | New indicator | 4         | 6            | 9         |
| Effective law enforcement process (improved compliance level) | <b>Percentage</b> of enforcement criminal cases opened against security service providers           | 100%          | 100 %     | 100 %        | 100 %     |
| CRM function effectiveness                                    | <b>Turnaround time</b> for the completion of registration   | 45 days       | 30 days   | 30 days      | 30 days   |

#### 5.4 P1: 2012 - 2013 QUARTERLY TARGETS

| Key Performance Indicators (KPIs)                                   | Reporting period | Annual target 2012-13 | Quarter 1 | Quarter 2 | Quarter 3 | Quarter 4 |
|---|------------------|-----------------------|-----------|-----------|-----------|-----------|
| <b>Number</b> of additional law enforcement inspectors recruited    | Quarterly        | 10                    | 2         | 3         | 3         | 2         |
| <b>Percentage</b> of inspectors trained on the Firearms Control Act | Quarterly        | 100%                  | 25%       | 25%       | 25%       | 25%       |
| <b>Number</b> of inspections conducted at security businesses       | Quarterly        | 3240                  | 810       | 810       | 810       | 810       |

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| Key Performance Indicators (KPIs)   | Reporting period | Annual target 2012-13 | Quarter 1 | Quarter 2 | Quarter 3 | Quarter 4 |
|---|------------------|-----------------------|-----------|-----------|-----------|-----------|
| <b>Number</b> of inspections conducted on security officers   | Quarterly        | 19 440                | 4860      | 4860      | 4860      | 4860      |
| <b>Number of publications (quarterly)</b>   | Quarterly        | 4                     | 1         | 1         | 1         | 1         |
| <b>Date</b> for the completion of firearms audit  | Quarterly        | n/a                   | n/a       | Sept 2012 | n/a       | n/a       |
| <b>Date</b> for the completion of PSIRA / SAPS Firearm Registry integration                         | Quarterly        | n/a                   | n/a       | n/a       | n/a       | n/a       |
| <b>Percentage</b> of Code of Conduct dockets finalised from investigation to prosecution in 90 days | Quarterly        | 70%                   | 70%       | 70%       | 70%       | 70%       |
| <b>Percentage</b> of code of conduct contraventions successfully prosecuted                         | Quarterly        | 80%                   | 80%       | 80%       | 80%       | 80%       |
| <b>Frequency</b> of reporting to NATJOINTS / PROVJOINTS on private security related matters         | Quarterly        | Quarterly             | Quarterly | Quarterly | Quarterly | Quarterly |
| <b>Frequency</b> of reporting to SSA on security breaches in Security Industry                      | Quarterly        | Quarterly             | Quarterly | Quarterly | Quarterly | Quarterly |
| <b>Frequency</b> of assessment of staff performance   | Quarterly        | Quarterly             | Quarterly | Quarterly | Quarterly | Quarterly |
| <b>Number</b> of provincial industry compliance forums established                                  | Quarterly        | 4                     | 1         | 1         | 1         | 1         |
| <b>Percentage</b> of enforcement criminal cases opened against security service providers           | Quarterly        | 100 %                 | 100 %     | 100 %     | 100 %     | 100 %     |
| <b>Turnaround time</b> for the completion of registration   | Quarterly        | 30 days               | 30 days   | 30 days   | 30 days   | 30 ays    |

**5.5 EXPENDITURE ESTIMATES**

| <b>PROGRAMME 1</b>             | <b>Budget</b>     | <b>Medium term expenditure estimates</b> |                   |                   |
|--------------------------------|-------------------|--|-------------------|-------------------|
| <b>Economic classification</b> | <b>2011-12</b>    | <b>2012-2013</b>                         | <b>2013-14</b>    | <b>2014-15</b>    |
| Compensation to employees      | 42 464 868        | 42 667 364                               | 49 455 931        | 55 218 321        |
| Goods and services             | 23 646 254        | 23 362 209                               | 24 493 869        | 25 531 394        |
| <b>Total</b>                   | <b>66 111 122</b> | <b>66 029 573</b>                        | <b>73 949 801</b> | <b>80 749 715</b> |
|                                |                   |  |                   |                   |
| <b>Programme budget</b>        | <b>66 111 122</b> | <b>66 029 573</b>                        | <b>73 949 801</b> | <b>80 749 715</b> |
|                                |                   |  |                   |                   |

## **6. PROGRAMME 2 : FINANCE AND ADMINISTRATION**

### **6.1 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

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.

### **6.2 OUTCOMES**

Outcome 5: PSIRA is financially sustainable entity

Outcome 6: PSIRA has cutting edge technology



## 6.3 P2: STRATEGIC OBJECTIVES (OUTPUTS), INDICATORS AND TARGETS FOR 2012 – 2015

| Strategic Objectives (outputs)                                       | Key Performance Indicators (KPIs)   | Baseline                  | 2012-13                   | 2013-14                   | 2014-15                   |
|--|---|---------------------------|---------------------------|---------------------------|---------------------------|
| Revenue management   | <b>Date</b> 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   | <b>Percentage</b> of revenue collected for billed accounts                                | 77%                       | 85%                       | 90%                       | 95%                       |
| Revenue management   | <b>Turnaround time</b> for collection of billed accounts.                                 | Unknown                   | 50 days                   | 40 days                   | 30days                    |
| Compliance with PFMA regulations and accounting standards            | <b>Frequency</b> of reporting Financial Performance                                       | Monthly                   | Monthly                   | Monthly                   | Monthly                   |
| Revenue management   | <b>Frequency</b> for conducting review of fines regulations                               | New indicator             | Annually                  | <b>Annually</b>           | <b>Annually</b>           |
| Budget management  | <b>Frequency</b> for conducting a Liquidity Plan (effective cash flow management)         | Monthly                   | Monthly                   | Monthly                   | Monthly                   |
| Compliance with PFMA regulations and accounting standards            | <b>Percentage</b> achievement of PFMA checklist   | New indicator             | 100%                      | 100%                      | 100%                      |
| Budget management  | % of Surplus/deficit Budget variance  | +/-5%                     | +/-5%                     | +/-3%                     | +/-2%                     |
| Budget management  | <b>Ratio</b> of working capital management  | 0.59:1 current ratio      | 1.2:1 current ratio       | 2:1 current ratio         | 2:1 current ration        |
| Financial Discipline (Internal Audit outcomes)                       | Average Internal Audit <b>Rating</b>  | 3                         | 2                         | 1                         | 1                         |
| Financial Discipline and Internal Controls (External Audit outcomes) | <b>Audit Opinion</b>  | Unqualified audit opinion | Unqualified audit opinion | Unqualified audit opinion | Unqualified audit opinion |
| Performance Management   | <b>Frequency</b> of assessment of staff performance                                       | Quarterly                 | Quarterly                 | Quarterly                 | Quarterly                 |
| IT infrastructure  | <b>Date</b> for Implementation of the   | New indicator             | 30 September              | n/a                       | n/a                       |

| Strategic Objectives (outputs)  | Key Performance Indicators (KPIs)                    | Baseline              | 2012-13                            | 2013-14                            | 2014-15                            |
|---------------------------------|--|-----------------------|------------------------------------|------------------------------------|------------------------------------|
|                                 | Biometric Technology for registrations               |                       | 2012                               |                                    |                                    |
| Business Process re-engineering | <b>Date</b> for go-live of an integrated ERP system. | Yearly – Phase 1 of 3 | 1 February 2013 (Phase 1 of 3)     | 1 February 2014 (Phase 2 of 3)     | 1 February 2015 (Phase 3 of 3)     |
| IT systems efficiency           | <b>Turnaround time</b> of completion of IT repairs   | 36 Hours              | 4 Hours of receiving the incident. | 4 Hours of receiving the incident. | 4 Hours of receiving the incident. |

#### 6.4 P2: 2012 - 2013 QUARTERLY TARGETS

| Key Performance Indicators (KPIs)                              | Reporting period | Annual target | Quarter 1  | Quarter 2                       | Quarter 3  | Quarter 4                       |
|--|------------------|---------------|--|---------------------------------|--|---------------------------------|
| <b>Date</b> for go-live of the online account payment facility | Quarterly        | 31 March 2013 | Research and proposal on the applicable online account facility. | Design online account facility. | Training online account facility web functionality | Implement facility              |
| <b>Percentage</b> of revenue collected for billed accounts     | Quarterly        | 85%           | 85%  | 85%                             | 85%  | 85%                             |
| <b>Turnaround time</b> for collection of billed accounts.      | Quarterly        | 50 days       | 50 days  | 50 days                         | 50 days  | 50 days                         |
| <b>Frequency</b> of reporting Financial Performance            | Monthly          | Monthly       | Monthly  | Monthly                         | Monthly  | Monthly                         |
| <b>Frequency</b> for conducting review of fines regulations    | Quarterly        | Annually      | Fines regulation review  | Fines regulation approval       | Fines regulation implementation                    | Fines regulation implementation |

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| Key Performance Indicators (KPIs)   | Reporting period | Annual target                      | Quarter 1  | Quarter 2                          | Quarter 3                          | Quarter 4                          |
|---|------------------|------------------------------------|--|------------------------------------|------------------------------------|------------------------------------|
| <b>Frequency</b> for conducting a Liquidity Plan (effective cash flow management) | Monthly          | Monthly                            | Monthly  | Monthly                            | Monthly                            | Monthly                            |
| <b>Percentage</b> achievement of PFMA checklist                                   | Quarterly        | 100%                               | 100%   | 100%                               | 100%                               | 100%                               |
| % of Surplus/deficit Budget variance  | Quarterly        | +/-5%                              | +/-5%  | +/-5%                              | +/-5%                              | +/-5%                              |
| <b>Ratio</b> of working capital management  | Quarterly        | 1.2:1 current ratio                | 1.2:1 current ratio                                | 1.2:1 current ratio                | 1.2:1 current ratio                | 1.2:1 current ratio                |
| Average Internal Audit <b>Rating</b>  | Quarterly        | 2                                  | 2  | 2                                  | 2                                  | 2                                  |
| <b>Audit Opinion</b>  | Annually         | Unqualified audit opinion          | n/a  | Unqualified audit opinion          | n/a                                | n/a                                |
| <b>Frequency</b> of assessment of staff performance                               | Quarterly        | Quarterly                          | Quarterly  | Quarterly                          | Quarterly                          | Quarterly                          |
| <b>Date</b> for Implementation of the Biometric Technology for registrations      | Quarterly        | 30 September 2012                  | Conduct feasibility studies and acquire technology | Implement Biometric technology     | n/a                                | n/a                                |
| <b>Date</b> for go-live of an integrated ERP system.                              | Quarterly        | 1 February 2013 (Phase 1 of 3)     | Conduct system specifications                      | Design system                      | System testing and user training   | Implement new ERP                  |
| <b>Turnaround time</b> of completion of IT repairs                                | Quarterly        | 4 Hours of receiving the incident. | 4 Hours of receiving the incident.                 | 4 Hours of receiving the incident. | 4 Hours of receiving the incident. | 4 Hours of receiving the incident. |

**6.5 EXPENDITURE ESTIMATES**

| <b>PROGRAMME 2</b>             | <b>Budget</b>     | <b>Medium term expenditure estimates</b> |                   |                   |
|--------------------------------|-------------------|--|-------------------|-------------------|
| <b>Economic classification</b> | <b>2011-12</b>    | <b>2012-2013</b>                         | <b>2013-14</b>    | <b>2014-15</b>    |
| Compensation to employees      | 11 428 612        | 14 443 742                               | 16 125 345        | 16 920 323        |
| Goods and services             | 30 498 380        | 45 803 389                               | 39 646 560        | 38 008 568        |
| <b>Total</b>                   | 41 926 992        | 60 247 131                               | 55 771 906        | 54 928 891        |
|                                |                   |  |                   |                   |
| <b>Programme budget</b>        | <b>41 926 992</b> | <b>60 247 131</b>                        | <b>55 771 906</b> | <b>54 928 891</b> |
|                                |                   |  |                   |                   |

## **7. PROGRAMME 3 : COMMUNICATION AND TRAINING**

### **7.1 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”

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.

### **7.2 OUTCOMES**

Outcome 7: The standard of private security training is improved

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

## 7.3 P3: STRATEGIC OBJECTIVES (OUTPUTS), INDICATORS AND TARGETS FOR 2012 - 2015

| Strategic Objectives (outputs)                    | Key Performance Indicators (KPIs)   | Baseline      | 2012-13           | 2013-14           | 2014-15            |
|---|---|---------------|-------------------|-------------------|--------------------|
| Excellent Service Delivery (Effective Regulation) | <b>Turn-around time</b> for the processing of course reports                                    | 7 Days        | 5 Days            | 3 Days            | 1 Day              |
| Excellent Service Delivery (Effective Regulation) | <b>Number</b> of appropriate training programmes for all classes of security service providers. | 13            | 22                | 22                | 22                 |
| Excellent Service Delivery (Effective Regulation) | <b>Date</b> 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) | <b>Date</b> for the promulgation of regulations for new training skills programmes              | New indicator | September 2012    | n/a               | n/a                |
| Industry Stewardship                              | <b>Number</b> 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) | <b>Frequency</b> for issuing of industry media statements                                       | New indicator | Quarterly         | Quarterly         | Quarterly          |

## 7.4 P3: 2012 - 2013 QUARTERLY TARGETS

| Key Performance Indicators (KPIs)   | Reporting period | Annual target 2012-13 | Quarter 1 | Quarter 2 | Quarter 3 | Quarter 4 |
|---|------------------|-----------------------|-----------|-----------|-----------|-----------|
| <b>Turn-around time</b> for the processing of course reports                                    | Quarterly        | 5 days                | 5 days    | 5 days    | 5 days    | 5 days    |
| <b>Number</b> of appropriate training programmes for all classes of security service providers. | Quarterly        | 22                    | 5.5       | 5.5       | 5.5       | 5.5       |
| <b>Date</b> for the registration of PSiRA as a Professional Body in terms of the NQF Act        | Quarterly        | September 2012        | n/a       | n/a       | n/a       | n/a       |
| <b>Date</b> for the promulgation of regulations for new training skills programmes              | Quarterly        | September 2012        | n/a       | n/a       | n/a       | n/a       |
| <b>Number</b> of completed areas of research that are of high priority topics                   | Quarterly        | 2 research topics     | n/a       | n/a       | 2         | n/a       |
| <b>Frequency</b> for issuing of industry media statements                                       | Quarterly        | 4                     | 1         | 1         | 1         | 1         |

## 7.5 EXPENDITURE ESTIMATES

| <b>PROGRAMME 3</b>             | <b>Budget</b>     | <b>Medium term expenditure estimates</b> |                   |                   |
|--------------------------------|-------------------|--|-------------------|-------------------|
| <b>Economic classification</b> | <b>2011-12</b>    | <b>2012-2013</b>                         | <b>2013-14</b>    | <b>2014-15</b>    |
| Compensation to employees      | 11 292 444        | 13 293 857                               | 14 612 054        | 15 612 505        |
| Goods and services             | 15 748 658        | 12 689 999                               | 12 931 868        | 13 781 326        |
| <b>Total</b>                   | <b>27 041 102</b> | <b>25 983 855</b>                        | <b>27 543 921</b> | <b>29 393 831</b> |
|                                |                   |  |                   |                   |
| <b>Programme budget</b>        | <b>27 041 102</b> | <b>25 983 855</b>                        | <b>27 543 921</b> | <b>29 393 831</b> |
|                                |                   |  |                   |                   |

## 8. PROGRAMME 4 : CORPORATE SERVICES

### 8.1 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 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.

### 8.2 OUTCOMES

Outcome 9: PSIRA has competent, ethical and skilled workforce

### 8.3 P4: STRATEGIC OBJECTIVES (OUTPUTS), INDICATORS AND TARGETS FOR 2012 - 2015

| 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          | <b>Turnaround Time</b> 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         | <b>Frequency</b> of assessment of performance for all staff | Only EXCO                 | Quarterly                          | Quarterly                          | Quarterly                          |
| Employee satisfaction          | <b>Frequency</b> of employee satisfaction surveys           | Annually                  | Annually                           | Annually                           | Annually                           |



| Strategic Objectives (outputs) | Key Performance Indicators (KPIs)                                    | Baseline                 | 2012-13           | 2013-14                    | 2014-15                    |
|--------------------------------|--|--------------------------|-------------------|----------------------------|----------------------------|
| Human Resources Management     | <b>Date</b> 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         | <b>Turnaround Time</b> for the Conclusion of Disciplinary Hearing    | Unknown                  | 30 Days           | 30 Days                    | 30 Days                    |
| Employee relations             | <b>Turnaround Time</b> for the Conclusion of Grievances              | Unknown                  | 7 Days            | 7 Days                     | 7 Days                     |
| Employment Equity              | % Compliance to Targets in the Employment Equity Plan                | No EE Plan               | 100%              | 100%                       | 100%                       |

#### 8.4 P4: 2012 - 2013 QUARTERLY TARGETS

| Key Performance Indicators (KPIs)                           | Reporting period | 2012-13                            | Quarter 1                          | Quarter 2                          | Quarter 3                          | Quarter 4                          |
|---|------------------|------------------------------------|------------------------------------|------------------------------------|------------------------------------|------------------------------------|
| % Compliance to Targets in the Skills Development Plan      | Quarterly        | 100%                               | 25%                                | 25%                                | 25%                                | 25%                                |
| <b>Turnaround Time</b> for the Recruitment of Employees     | Quarterly        | 3 month (From Approval of Request) | 3 month (From Approval of Request) | 3 month (From Approval of Request) | 3 month (From Approval of Request) | 3 month (From Approval of Request) |
| % Compliance to Targets in the Change Management Plan       | Quarterly        | 100%                               | 25%                                | 25%                                | 25%                                | 25%                                |
| <b>Frequency</b> of assessment of performance for all staff | Quarterly        | Quarterly                          | Quarterly                          | Quarterly                          | Quarterly                          | Quarterly                          |

| Key Performance Indicators (KPIs)   | Reporting period | 2012-13           | Quarter 1                  | Quarter 2                  | Quarter 3                  | Quarter 4                  |
|---|------------------|-------------------|----------------------------|----------------------------|----------------------------|----------------------------|
| <b>Frequency</b> of employee satisfaction surveys                               | Annually         | 1                 | 0                          | 0                          | 1                          | 0                          |
| <b>Date</b> for the Approval and review of the HR Retention Strategy by Council | Annually         | 30 September 2012 | Implementation of Strategy | Implementation of Strategy | Implementation of Strategy | Implementation of Strategy |
| <b>Turnaround Time</b> for the Conclusion of Disciplinary Hearing               | Unknown          | 30 Days           | 30 Days                    | 30 Days                    | 30 Days                    | 30 Days                    |
| <b>Turnaround Time</b> for the Conclusion of Grievances                         | Unknown          | 7 Days            | 7 Days                     | 7 Days                     | 7 Days                     | 7 Days                     |
| % Compliance to Targets in the Employment Equity Plan                           | No EE Plan       | 100%              | 100%                       | 100%                       | 100%                       | 100%                       |

## 8.5 EXPENDITURE ESTIMATES

| PROGRAMME 4               | Budget            | Medium term expenditure estimates |                   |                   |
|---------------------------|-------------------|-----------------------------------|-------------------|-------------------|
| Economic classification   | 2011-12           | 2012-2013                         | 2013-14           | 2014-15           |
| Compensation to employees | 7 770 697         | 5 550 915                         | 6 071 582         | 6 374 369         |
| Goods and services        | 13 945 756        | 15 324 991                        | 15 973 012        | 17 165 973        |
| <b>Total</b>              | <b>21 716 453</b> | <b>20 875 906</b>                 | <b>22 044 593</b> | <b>23 540 343</b> |
| <b>Programme budget</b>   | <b>21 716 453</b> | <b>20 875 906</b>                 | <b>22 044 593</b> | <b>23 540 343</b> |

## 9. Historic Financial performance

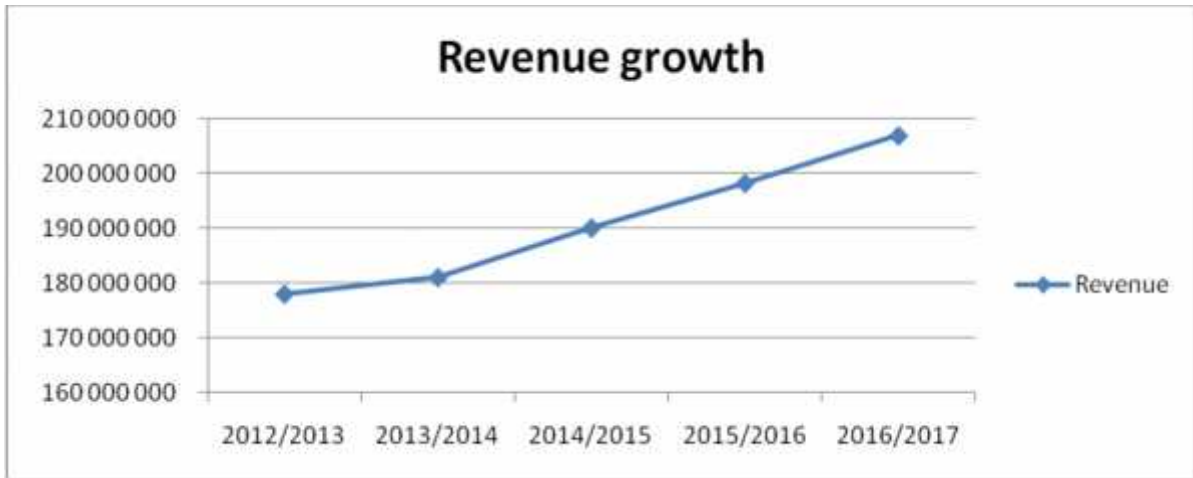
Since 2006/2007, the Authority has been posting deficits with the exception of 2007/2008, when the organisation barely made a small surplus of R676 000. These deficits are mainly ascribed to rising expenditure while revenue remained stagnant, as a result of not reviewing the annual fees. The poor financial performance has impacted on the organisation to expand in terms of its human capital, national geographic footprint as well as investment in infrastructure. The table below presents financial performance over the past 8 years.

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

### 9.1 REVENUE ESTIMATES 2012 /13 – 2016/17

The annual fees were reviewed in December 2011, the last review having been done only in 2002. The revised fees came into effect in January 2012. In line with the financial strategy, annual fees will be reviewed on an annual basis. The estimated revenue for the medium term is presented below:

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



## 9.2 LONG TERM INFRASTRUCTURE AND CAPITAL ASSET PLAN

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

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