



PSIRA
Private Security Industry Regulatory Authority

Annual Report

2023 | 2024



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Businesses
Communities





PSiRA
Private Security Industry Regulatory Authority

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Private Security Industry Regulatory Authority

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Annual Report 2023/24

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Part A:

General Information

Public Entity's General Information

Private Security Industry Regulatory Authority

| | |
|---------------------------------|--|
| Registered Name: | Private Security Industry Regulatory Authority |
| Physical Address: | 420 Witch-Hazel Avenue Eco Glades 2 Office Park Highveld Ext. 70 Centurion 0158 |
| Postal Address: | Private Bag x817 Pretoria 0001 |
| Telephone Number/S: | 0027 (0)12 337 5500 |
| Email Address: | info@psira.co.za |
| Website Address: | www.psira.co.za |
| External Auditors: | Auditor-General of South Africa 4 Daventry Street Lyn- nwood Manor Pretoria 0081 |
| Bankers: | Nedbank Menlyn Maine Cnr. Aramist and Constellation Street Waterkloof Glen |
| Company/ Board Secretary | Mr Jacob Makgolane |

Abbreviations/ Acronyms

| | |
|----------------|--|
| 4IR | Fourth Industrial Revolution |
| AGSA | Auditor-General South Africa |
| APSA | Academic and Professional Staff Association |
| AWU | Abanqobi Workers Union |
| CFR | Central Firearms Register |
| CIPC | Companies and Intellectual Property Commission |
| CRC | Criminal Record Centre |
| CSR | Corporate Social Responsibility |
| DETAUW | Democratised Transport Logistics and Allied Workers' Union |
| DUSWO | Democratic Union of Security Workers |
| EAP | Economically Active Population |
| EEA | Employment Equity Act |
| EE | Employment Equity |
| ESS | Employee Self Service |
| FEDCRAW | Federal Council of Retail and Allied Workers |
| FEU | Forensic and Ethics Unit |
| FLASH | Firearms Liquor and Second-Hand Goods Control |
| HCM | Human Capital Management |
| IASIR | International Association of Security and Investigative Regulators |
| IOD | Injury on Duty |
| ITU | International Telecommunication Union |
| KAWU | Kungwini Amalgamated Workers Union |
| MEC | Member of the Executive Council |
| MINMEC | Ministers and Members of Executive Councils Meeting |
| MoU | Memorandum of Understanding |
| NASUWU | National Security and Unqualified Workers Union |
| OD | Organisational Development |
| PATU | Progressive Allied & Travel Union |
| PMSC | Private Military and Security Company |
| POCC | Provincial Operational Command Centre |
| PSI | Private Security Industry |
| PSiRA | Private Security Industry Regulatory Authority |
| R&D | Research and Development |
| SADC | Southern African Development Community |
| SAFTU | South African Federation of Trade Unions |
| SAPS | South African Police Services |
| SAPSWU | South African Private Security Workers' Union |
| SASSETA | Safety and Security Sector Education and Training Authority |
| SATAWU | South African Transport and Allied Workers Union |
| SCM | Supply Chain Management |
| SHE | Safety, Health and Environment |
| SOCRAWU | Security Officers Civil Rights and Allied Workers Union |
| SSA | State Security Agency |
| TUSISA | Trade Union of Security Industry in South Africa |
| UASA | United Association of South Africa |
| UIF | Unemployment Insurance Fund |
| UNISA | University of South Africa |
| USA | United States of America |
| WIL | Work Integrated Learning |
| WITS | University of the Witwatersrand |



Honourable Mr E S. Mchunu, MP

Minister for Police



As we stand at the vanguard of ensuring the safety of our citizens, the Authority plays a vital role in regulating the private security industry, which has become an indispensable part of our broader security architecture.

The private security industry in our country has grown significantly over the past ten years by more than 100%. At the end of the financial year under review, there were over 16 000 active Security Companies registered with the Authority which employed over 600 000 Security Officers. With this growth, the responsibility to regulate and ensure the highest standards of professionalism and ethics has become paramount. The Authority has been at the helm of this effort, ensuring that those who are entrusted with the safety of our communities are not only competent but also adhere to the highest ethical standards.

Foreword by Minister

As we stand at the vanguard of ensuring the safety of our citizens, the Private Security Industry Regulatory Authority (the Authority) plays a vital role in regulating the private security industry, which has become an indispensable part of our broader security architecture.

The private security industry in our country has grown significantly over the past ten years by more than 100%. At the end of the financial year under review, there were over 16 000 active Security Companies registered with the Authority which employed over 600 000 Security Officers. With this growth, the responsibility to regulate and ensure the highest standards of professionalism and ethics has become paramount. The Authority has been at the helm of this effort, ensuring that those who are entrusted with the safety of our communities are not only competent but also adhere to the highest ethical standards.

The mandate of the Authority is clear: to regulate the private security industry in a manner that enhances security and upholds the rights of all citizens. This involves the registration and vetting of security service providers, setting of industry standards, and ensuring compliance through rigorous oversight. I am pleased with the progress made by the Authority in the implementation of its 2020/25 Strategic Plan. It is unequivocally clear that their impact on the security affairs of the country is noticeable and significant. The Authority's Strategic Plan primarily focuses on Priority 6: Social Cohesion and Safe Communities, of the seven priorities and related interventions of the Sixth Administration of government. Its strategy also contributes towards Priorities 2 and 3 in respect of economic transformation, job creation, and education and skills development.

The role of private security in our country cannot be overstated. From protecting critical infrastructure to providing security in our neighbourhoods, private security officers are often the first line of defence against crime. However, with this responsibility, comes the need for accountability and regulation. This is where the Authority's work becomes crucial.


The Authority continues to ensure that all private security personnel are properly trained and vetted and that they operate within the boundaries of the law. This not only protects the public but also upholds the integrity of the private security industry itself. Through continuous monitoring and

enforcement, the Authority has made significant strides in rooting out unregistered operators and those who do not meet the required standards.

Moreover, the Authority's commitment to professional development within the industry is commendable. By setting educational and training standards, the Authority ensures that security personnel are equipped to handle the challenges of modern security threats. This not only enhances the effectiveness of private security but also builds public confidence in the industry.

As we look to the future, the role of the Authority will continue to evolve. The challenges we face in ensuring the safety and security of our nation are ever-changing. Cybersecurity, terrorism, usage of illegal firearms, involvement of security service providers in extortion syndicates, drug related crimes and transnational crimes are just a few of the emerging threats that require a well-regulated and professional private security sector. The Authority will continue to adapt to these challenges, ensuring that our private security industry remains robust, responsive, and resilient.

Lastly, I wish to express my gratitude to the Authority's Chairperson of Council and fellow Council members, its Director and his executives, and all its staff, who rallied behind the vision and mission of the Authority. My gratitude goes to the security service providers and officers who continue to work tirelessly to keep our fellow communities safe.



Honourable Mr. ES Mchunu, MP

Minister of Police (Executive Authority)

Date: 06 August 2024





Dr Leah Shibambo

Chairperson of the
Council



Introduction

As the Accounting Authority of the entity, the Council, is pleased to present the 2023/24 Annual Report of the entity to the Executive Authority, Parliament of the Republic, and to all the Authority's stakeholders as required in terms of section 10 of the Private Security Industry Regulation Act, 2001, read with section 55 of the Public Finance Management Act, 1999 (PFMA).

Chairpersons Overview

Overview of PSiRA Strategy and Performance for the Year

The strategic direction of the Authority is derived from the mandate as outlined under the PSiR Act, 2001. The primary objective of the Authority is to regulate the private security industry and to exercise effective control over the practice of the occupation of security service providers in the national interest, the public and the interest of the private security industry itself.

The Authority's Strategic and the Annual Performance Plans for the period under review were informed mainly by the objects and functions of the Authority as contained in sections 3 and 4 of the Act, respectively. These objects and functions are the main drivers of the Authority's strategic direction. The development of the strategy of the entity categorised the objects and functions of the Authority into four (4) programmes, which collectively constitute the strategic focus areas to which the reporting herein relates. Three (3) of the programmes focus specifically on the core business of the entity as per the legislative mandate, and one programme focuses on the financial and administrative support to build adequate capacity and resources so that the entity deliver on its core business objectives and functions.

The Authority's Strategic Plan 2020-2025 identified four (4) key strategic outcomes for the MTSF period, and 25 output indicators for the Annual Performance Plan 2023/24. In terms of the annual performance of the entity towards achievement of the five-year outcomes, the Council is pleased to report **92%** achievement of the targets for the year, which is **9%** above the previous financial year's performance. Whilst the Council is excited about this outstanding performance which relates to the core business areas of the entity, it however, regrettably noted a regression in terms of one of the five-year outcomes from the results of the regulatory audit which confirmed a qualified audit opinion for the entity's annual financial statements for 2023/24. The outcome was mainly caused by technical errors of the new financial reporting system which resulted in some identified prior period errors and some material misstatements on cashflows from operating activities and on impairment for trade receivables. The Council appreciates the hard work of the Management and the staff of the Authority and is confident that the root cause of the audit outcome will be addressed, and the control

environment improved and tested for effectiveness before the next regulatory audit.

The positive performance results are also attributed to the Council and its governance structures for relentlessly continuing to do quality review and monitoring of Management reporting on a quarterly basis, and the good relations with the Management that contributed to improved internal control environment within the core business areas of the entity.

Council is further pleased with the reporting on the implementation of the digital transformation strategy at 100% for the period under review. The achievement in this area has improved the entity's effectiveness and efficiency in terms of service delivery to our clients and stakeholders in general. The online registration platform has significantly increased the turnaround times for new registrations and renewals of security businesses' and security officers' registration. The system will continue to be improved and enhanced with other modules for a complete digitalisation of PSiRA services by the end of the MTSF period. Council is confident that PSiRA services will move into the 4IR space, and that delivery of services to PSiRA clients will be accessible from anywhere to avoid long queues at the offices and the need for increased footprint.

Strategic Relationships

The legislative mandate requires the Authority to form strategic partnerships with other entities and stakeholders both nationally and globally in pursuit of the objectives of the Act. Strategic partnerships were previously established with other key role players in the industry, including in the education and training sector, government departments and municipalities and industry labour movements. These partnerships continue to be maintained and improved for a better regulation of the industry.

In pursuit of improved strategic relations, compliance and better regulation of the industry, the Authority is also a member of the International Association of Security and Investigative Regulators (IASIR) and is represented on the Board of Directors of IASIR. The association continues to expose Authority to international recognition and best practices through interactions with other regulators globally. This opportunity places the entity at an advantage to become a leader in the African continent in terms of private security industry regulation. Some SADC countries had already started engagements

with the Authority in the last four (4) years for benchmark studies and some assistance in terms of establishment of regulatory authorities in their jurisdictions.

As part of the reported performance, Council is confident that continuous engagements with the industry in terms of effective regulation through the established Private Security Industry Advisory Committee will go a long way in bringing the industry together. The Authority had through this forum facilitated the development of private security industry transformation charter, which had during the period under review gone through industry-wide consultations which unfortunately could not be finalised in time for the charter to be approved by Council for submission to relevant authorities for further processing and promulgation in the gazette. The aim is to see a transformed private security industry by 2030, participating meaningfully in terms of crime prevention, and fairly and equitably in the economy of the country.

Challenges faced by the Authority

Unsustainable Annual Fees Funding Model

The Authority continues to fund its operation mainly from the transitional annual fees as provided for under the repealed Security Officers Board Act, 1987. The Authority continues to report on impairment provision in its finances due to ever-increasing debtors' book, which is an inherent feature of this funding model. The model was supposed to have been repealed by the introduction of levies under the Private Security Industry Levies Act, 2002.

The process started with National Treasury for the review of the Levies Act into a Money Bill and Levies Administration Bill had once again been delayed for the draft Bills to be tabled in Cabinet for approval to be introduced into the parliamentary legislative process. The Council, however, remains hopeful that the process will see some progress in the 2024/25 financial year as the Authority has since developed a strategy and implementation plan to demonstrate to National Treasury its readiness to implement the legislation upon it being proclaimed to come into operation. Whilst the Council appreciates the positive reported financial results of the entity for the past four (4) financial years, it however, continues to be cautious in the implementation of operational activities and some capital projects as the risk of financial liquidity remains a potential reality under the current funding model.

The Year Ahead: 2024/25

The 2023/24 was the last year of the term of office of the Council and a new Council has since been appointed by the former Minister of Police in consultation with Cabinet effective from the 1st of April 2024. The 2024/25 financial year is also the last year of the MTSF period, and the Council is hopeful that the targeted performance on the five-year outcomes could still be achieved by the end of the period. The Council is also looking ahead to the development of a new strategy for the entity under the 7th administration of the Government of National Unity. The priorities of government will remain the foundation for our building blocks as we develop the new strategy for the entity.

The Council will continue to monitor developments with the two Levies Bills by National Treasury for introduction in Parliament to be passed into law. Revised timelines will be set with National Treasury based on our readiness strategy and plan for the implementation of the legislation once passed into law.

Furthermore, the Council looks forward to strengthening the relations with the industry through the established industry sector advisory committee, whose membership would be changed for the new term of office of the Council for a fresh industry perspective and to continue all the good work that the outgoing committee had started.

Development of training standards in the various sectors of the industry is a key milestone towards the achievement of a “*capable and trained private security industry*” as one of the entity’s five-year outcomes. Key implementation projects for the year ahead include the introduction of the counter-terrorism training for all security officers, starting with those deployed at critical infrastructure areas and some identified public spaces for possible terrorist attacks. Council believes that this training not only prepares our security service providers to detect suspicious activities but enjoins them as a force multiplier for collaborative work with other law enforcement agencies in the fight against crime in general. The Authority had also developed an online learner assessment in the training space, which centralises the final assessment of learners who undergo security training elsewhere with registered training providers. This system will enhance the integrity of the training undertaken by learners, and therefore, assurance to the public on the quality of training and certification of our security service providers.

Acknowledgements

Council would like to acknowledge the former Minister of Police, Hon. B. Cele, MP, for the confidence that he continued to have in the Council to serve the Authority and the industry at large. The Council is confident that it did not disappoint in its service to the people of South Africa and has served with integrity and distinction up to the end of the term of office of the outgoing Council.

The Council further extends a word of appreciation to the Portfolio Committee on Police’s engagements with the Authority at the various virtual meetings held during the period under review, where the Committee gave constructive inputs, commendations and interventions that continue to instil confidence and encouragement to every staff member.

Acknowledgements and appreciations also go to the industry at large, for the inputs and comments from our various consultative and targeted engagements where issues of compliance within the industry were discussed for a consensus in regulatory position. We believe that with the established industry advisory committee and the new membership under the new Council, these engagements and the advisory inputs will get a fresh perspective which will assist the Authority to better regulate the industry in times of 4IR and AI for the achievement of our vision for “*South Africans to have confidence in the legitimacy, occupational practices and transformation of the Private Security Industry*”.

Lastly, acknowledgements, commendations and appreciations should also go to the Authority’s Management and staff at large, for their continued relentless effort, dedication and commitment in the execution of the mandate of the Authority without fear or favour. Council is confident that through continued dedication and the hard work of the Management and staff of the entity, the Authority will continue to regulate the industry better with *integrity, ubuntu and excellence*.



Dr A.L. Shibambo
Council Chairperson

Date: 31 July 2024



Mr. Manabela Chauke

Director



It is with great pleasure that I present to you the 2023/24 Annual Report of the Private Security Industry Regulatory Authority (PSiRA). This edition of the Annual Report coincides with the Authority's 21st anniversary, an achievement worth celebrating. During the year under review, the Authority has continuously implemented digital transformation strategies aimed at promoting and enhancing service delivery. Moreover, our mandate is to ensure that the private security industry acts responsibly and ethically, treating South African citizens with dignity and refraining from illegally infringing on the rights of others.

Director's Report

Highlights

The Authority acknowledges the qualified audit opinion for the year under review, which indicates a need to improve internal control and reporting processes. To address this, the Authority will develop an action plan to tackle all root causes, aiming to achieve a clean audit. The Authority has successfully delivered on its predetermined outputs, meeting 92% of its planned targets.

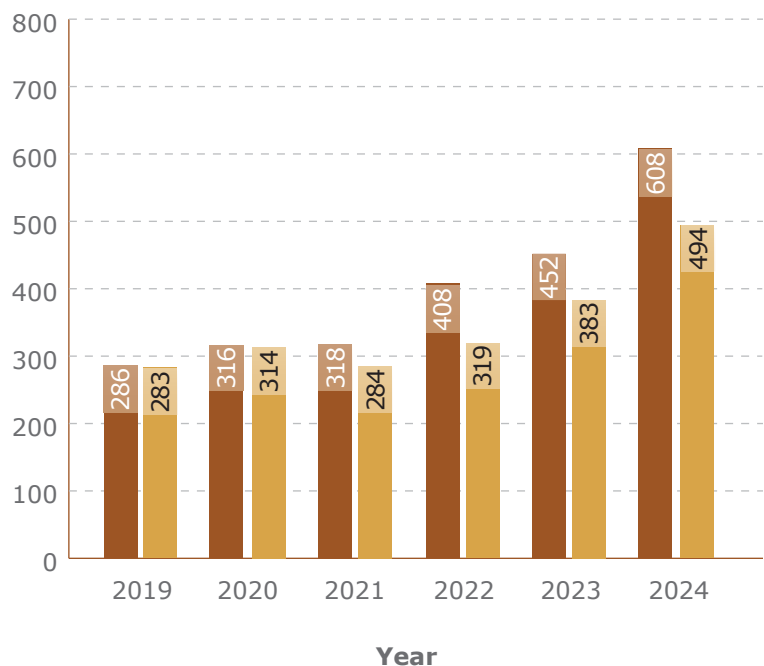
There was a significant increase in revenue generated during the year under review, amounting to R608 million in the financial year 2023/24, compared to R452 million in 2022/23. This increase is attributed to improvements in the online system and service delivery efficiencies brought about by our innovations.

Revenue and expenditure

Revenue and expenditure growth in percentages

| Year | 2020 | 2021 | 2022 | 2023 | 2024 | Average |
|-------------|------|------|------|------|------|---------|
| Revenue | 10% | 0% | 28% | 11% | 34% | 17% |
| Expenditure | 11% | -9% | 12% | 20% | 29% | 13% |

Revenue VS expenditure growth R'Millon



● Revenue ● Expenditure

The Authority, as a self-funded entity, continues to ensure financial stability through revenue collection strategies and cost containment measures. This is reflected in the 17% growth in revenue over the last five financial years, with expenditure growing at a lower rate of 13%.

The current funding model places significant reliance on annual fees, which constitute 42% of total revenue, followed by Course Reports (22%) and Registration Fees (17%) with the rest of the (19%) attributed to the sales of goods and services. However, the collection of annual fees is highly impacted by the economic climate, particularly affecting smaller companies within the industry. To address this, a process is currently underway to transition from the annual fees model to the Levies model, which bases levies on a company's turnover.

Financial considerations

The Authority reported a **surplus of R113 million** for the year under review, attributed to effective cost containment measures and revenue collection strategies. This surplus, combined with those from previous years, has resulted in cash reserves amounting to **R307 million**. These reserves have significantly improved liquidity, with a current **ratio of 3.9:1**, confirming the Authority's ability to fund its daily operations. The cash reserves will primarily be used to acquire systems that ensure seamless operations and support future funding needs.

Regulatory functions

Digitalisation – Fast-tracking the Online Registration System (ePSiRA)

Since the launch of the online registration and training platform in 2022, the Authority has enhanced its turnaround time for registration. The online registration system is accessible remotely from anywhere in the country.

The Registration Unit now oversees more than 2.8 million registered Security Officers (SO) and business registrations, showing a 9% growth in the last financial year, from 14,453 to 15,113 businesses registered. Additionally, the number of active and registered security officers increased

by 5% in the last financial year, from 577,444 to 608,977.

Furthermore, the decentralisation of registration services to all branches, initiated in the 2023/2024 year, has led to more efficient service delivery. The ongoing review of the Authority's database of security officers and businesses aims to clean up data. The turnaround time to implement decisions made by the Registration Sub-Committee was set at seven days; however, the unit achieved an average of three days to action any decision.

Industry Training Highlights

To fulfil its core objective of "promoting high standards in training security service providers and prospective security service providers," the Authority has increased its capacity to meet its mandate as prescribed in the Act.

The introduction of ePSiRA has significantly reduced the turnaround time for processing training centre and instructor accreditation applications. During the year under review, the average timeframe for processing training instructor accreditation applications was reduced from seven days to three days.

Advocacy for the ePSiRA system led to an increase in course reports received and processed during the financial year. A total of 952,168 course reports were processed during the 2023/24 financial year, compared to 662,639 in the 2022/23 financial year, an increase of approximately **44%**. There has also been a decrease in the number of course reports returned to training service providers due to irregularities. During the year under review, 195 new training security service providers were accredited.

Compliance and enforcement

A key objective of the Authority is to ensure that security service providers comply with legislation through active monitoring and investigation of industry affairs.

The Authority has implemented a Compliance and Enforcement Plan to maintain a well-regulated private security industry.

This strategy includes the enforcement and prosecution of non-compliant service providers, with a new focus on regulatory compliance through inspections. Between 1 April 2023 and 31 March 2024, a total of 47,005 compliance inspections of security service providers were conducted, or inspections were carried out as part of investigations by the Enforcement Department, compared to 43,642 inspections in the previous year. This reflects an 8% increase in the total number of inspections conducted.

During the same period, 4,096 investigations were finalized, compared to 4,250 in the previous year, representing a 4% decrease in finalized investigations.

Research and development towards an effective regulatory framework

The Research and Development Unit (R&D) continues to play a critical role in ensuring that the Authority remains a centre of excellence in private security industry research. Furthermore, it ensures that regulatory decisions are informed by empirical research findings and recommendations. The research reports continue to inform the development of industry policies and regulations. In the period under review, R&D undertook and concluded studies and surveys in the following areas:

Survey Topics

- ◆ Protecting of critical infrastructure
- ◆ PSI in the entertainment sector
- ◆ Technology Based Platforms in the PSI
- ◆ Public liability of the PSI in the guarding sector

Research Topics

- ◆ Fighting a Common Enemy: The Role of Private Security in Counter-terrorism
- ◆ The Private Security in the protection of Critical Infrastructure
- ◆ We've got you covered: Public liability of the private sector industry in the guarding sector
- ◆ Get your groove on: a study on the role of security industry in the entertainment sector
- ◆ Safety at your fingertips: exploring technology-based platforms in private sector industry

Firearm inspections

During the period from 1 April 2023 to 31 March 2024, a total of 2,252 firearm inspections were conducted, compared to 2,285 inspections in the same period the previous year. This represents a 1% decrease in the number of firearm inspections conducted with security service providers.

Enhanced stakeholder engagement

In our efforts to expand global alliances and the Authority's regulatory mandate, PSiRA was invited by the Chinese Chamber of Commerce to Shanghai in May 2023. Deputy Chairperson Mr. Matome Ralebipi and Executive members led efforts to benchmark best practices in private security industry training, production, and use of security equipment. This platform also provided an opportunity to network with relevant stakeholders in China.

In December 2023, the Authority hosted Executive members of the China People's Police University, led by Mr. MA Jinqi, President of the university, which operates directly under China's Ministry of Public Security. To ensure ongoing commitment, a Memorandum of Understanding (MoU) was signed, securing future collaboration and progress in the private security industry.

Strategic relationships

During the year under review, we continued to establish strategic partnerships with key role players in the industry, including education and training institutions, government departments, and industry labour movements.

Numerous meetings were held nationally with the South African Police Service (SAPS), other law enforcement agencies, security service consumers

(including stadium management, business forums, and state departments), and other stakeholders to discuss matters of common interest. These discussions focused on the best models for fostering a compliant private security industry while achieving the objective of building safer communities.

Outreach programme

As a caring organization, the Authority continues to give back to different communities through its outreach programme.

We donated an electronic wheelchair to Ms. Mbali Mdhletshe (32), a registered Security Officer from Welgedacht West in KwaZulu-Natal. Ms. Mdhletshe experienced challenges during her registration process. When her PSiRA certificate and card were approved, the Provincial Manager personally delivered them to her home, where they found her using an old wheelchair that needed replacement. Unable to afford a new one, Ms. Mdhletshe was supported by the Authority, which donated a new electronic wheelchair to assist her mobility.

Secondly, the Authority visited the family of Sizwe Bhengu, a security officer who was blessed with quadruplets, and helped by donating nappies, formula and other new baby essentials.

Thirdly, on Mandela Day, the Authority donated school uniforms to Kgetleng Primary School in Swartruggens, 65km outside Rustenburg. The area has a high unemployment rate, resulting in poverty, and many of the learners come from disadvantaged households, with some unable to obtain birth certificates, hindering their ability to apply for social grants.

The Authority will continue to contribute to communities and individuals alike, with the aim of alleviating the socio-economic pressures that our country experiences.

Capacity building

The Authority plans to strengthen the firearms enforcement unit, the special operations unit, and

progress towards establishing the following units in the future:

- ♦ K9 Unit
- ♦ Pan African Association of Regulators
- ♦ Business Intelligence Unit

Expanding the Authority's Law Enforcement Unit will increase capacity to tackle the irregular use of firearms and criminality within the private security industry.

Acknowledgements

It would be remiss not to convey my sincere gratitude to the EXCO and Management teams, and more importantly, to all staff members who remain loyal to the course of executing the Authority's mandate.

I am deeply thankful for the guidance and wisdom of the Council, under the leadership of Dr Leah Shibambo. The Council has helped the Authority become a shining example of good governance.

The confidence and support that the Honourable Minister of Police, Mr. Bheki Cele, Honourable Deputy Ministers, Ntate Cassel Mathale, and the Ministry's staff have bestowed on the Authority and its leadership is truly overwhelming.

Lastly, I would like to thank the Portfolio Committee on Police, the industry's associations, labour movements, our general stakeholders for their constructive criticism, encouragement, and support and most importantly our fellow security officers for their selfless commitment to ensuring the safety of South Africans.



Manabela Chauke
Director/CEO

31 July 2024

Statement of responsibility and confirmation of accuracy for the annual report

To the best of my knowledge and belief, I confirm the following:

All information and amounts disclosed in the annual report is consistent with the annual financial statements audited by The Auditor General South Africa.

The annual report is complete, accurate and is free from any omissions.

The annual report has been prepared in accordance with the guidelines on the annual report as issued by National Treasury.

The Annual Financial Statements (Part F) have been prepared in accordance with the Generally Accepted Accounting Standards applicable to the public entity.

The Accounting Authority is responsible for the preparation of the annual financial statements and for the judgements made in this information.

The Accounting Authority is responsible for establishing and implementing a system of internal control has been designed to provide reasonable assurance as to the integrity and reliability of the performance information, the human resources information and the annual financial statements.

The external auditors are engaged to express an independent opinion on the annual financial statements.

In our opinion, the annual report fairly reflects the operations, the performance information, the human resources information and the financial affairs of the public entity for the financial year ended 31 March 2024.

Yours faithfully



Chief Executive Officer
Mr Manabela Chauke
Date: 31 July 2024



Chairperson of the Council
Dr. Leah Shibambo
Date: 31 July 2024

Strategic Overview



6.1 Vision

South Africans have confidence in the legitimacy, occupational practices and transformation of the Private Security Industry



6.2 Mission

Effective regulation of the Private Security Industry to enable professional and respected security service providers.



6.3 Values

Integrity

- ♦ Ethical Conduct
- ♦ Fairness
- ♦ Transparency

Excellence

- ♦ Accountability
- ♦ Professionalism
- ♦ Performance

Ubuntu

- ♦ Respect
- ♦ Compassion
- ♦ Diversity

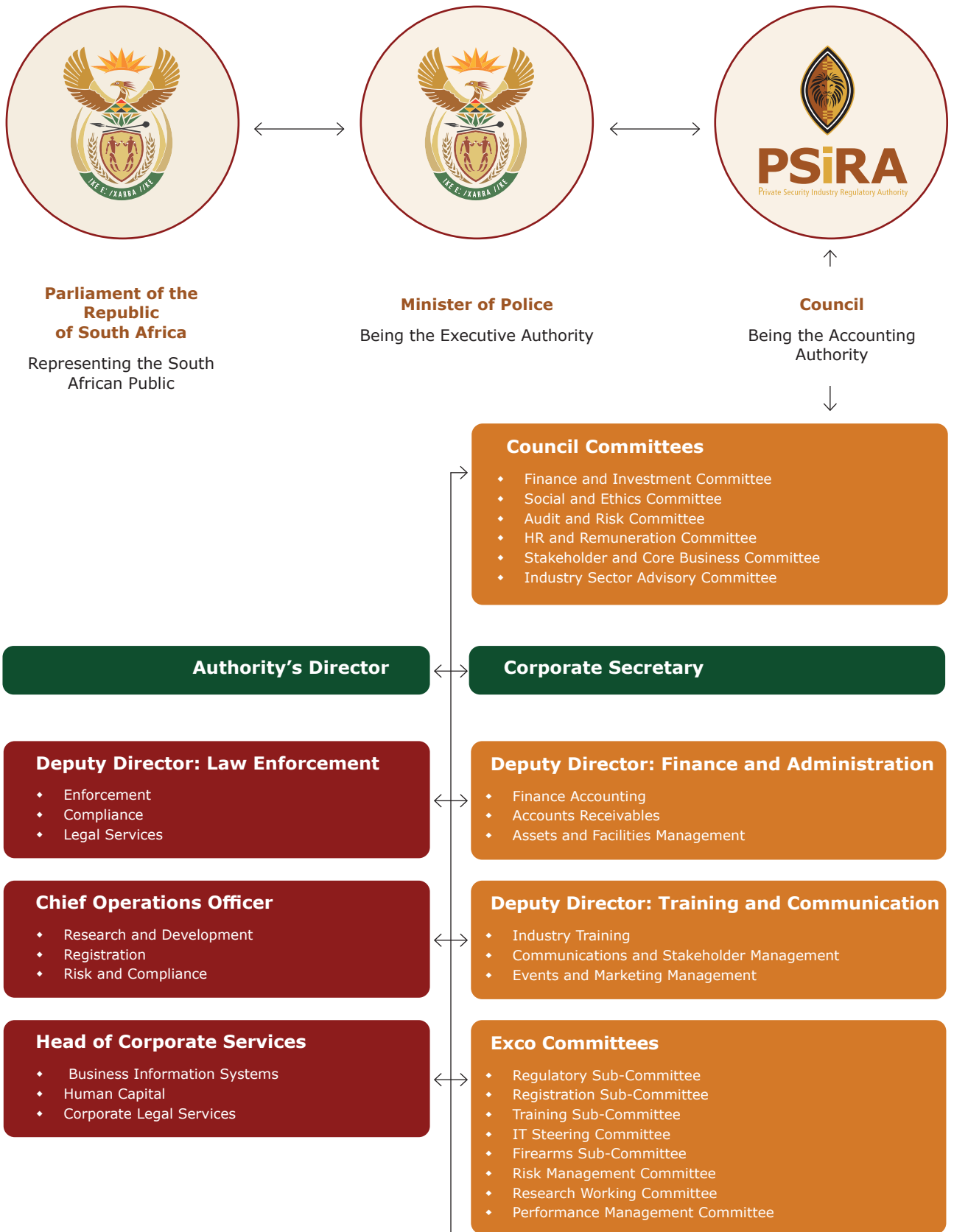


Legislative and other mandates

The primary objects of the Authority are to: regulate the private security industry as well as exercise effective control over the practice of the occupation of security service providers. This is in the interest of the public, the nation as well as the private security industry itself as subject to the Act, to:

- a. Promote a legitimate private security industry that adheres to the 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 characterised 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 to be adhered to by security service providers;
- g. Encourage and promote efficiency and responsibility when rendering 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;

Organisational Structure



Council Members



Dr Leah Shibambo

Chairperson of the Council



Mr M.S. Ralebipi

Deputy Chairperson



Dr S.N. Mbete

Council Member



Ms T. Ntshangase

Council Member



Mr N.H. Ngubane

Council Member



Mr J. Makgolane

Corporate Secretary

Executive Management



Mr M Chauke

Director/ Chief Executive Officer



Ms T Zwane

Deputy Director: Law Enforcement



Mr I Ralioma

Acting Chief Operating Officer



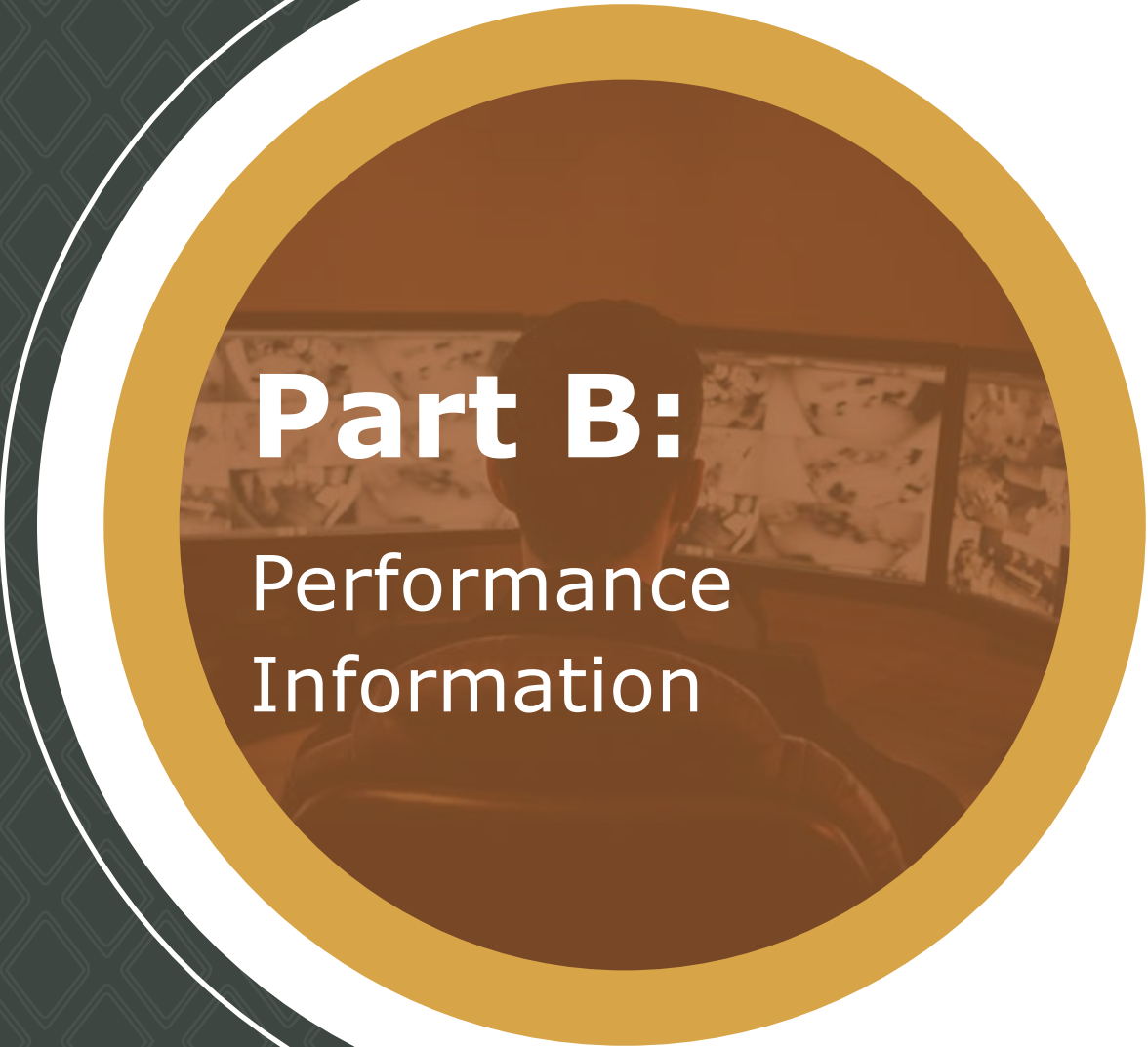
Ms M Sebogodi

Deputy Director: Finance and Administration
(Chief Financial Officer)



Ms M Sechoaro

Deputy Director: Training and
Communication



Part B:

Performance Information

1. Introduction

The Private Security Industry Regulatory Authority was established in terms of Section 2 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. The primary objectives of PSiRA are amongst others, 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. PSiRA is an entity listed under Schedule 3A of the Public Finance Management Act, 1999 (Act No. 1 of 1999) (PFMA), and therefore has to comply with the requirements of this Act.

In terms of Treasury Regulation Section 5.3, PSiRA is responsible for establishing procedures for quarterly reporting to facilitate effective performance monitoring, evaluation and corrective action. In line with this requirement, the Council has approved a format for annual and quarterly reporting to the Minister of Police on the progress made with regards to the implementation of the Annual Performance Plan of 2023/24. This performance report is for the financial year 2023/24 and a summary of the actual performance against predetermined outcomes and outputs per programme.

Prepared by:



Mr Isaac Ralioma
Acting Chief Operating Officer (COO)

31 July 2024
Date

Approved by:



Mr Manabela Chauke
Director (CEO)

31 July 2024
Date

Authorised by:



Dr Leah Shibambo
Chairperson of the Council

31 July 2024
Date

2. Performance report for the financial year 2023/24

2.1. Overview of performance 2023/2024

The strategic direction of PSiRA originates from the legislative mandate as outlined under the Private Security Industry Regulation Act of 2001. The Act lists several functions that must be undertaken by the Authority in pursuit of its primary objects. PSiRA's Strategic Plan and the 2023/24 Annual Performance Plan for the period under review are mainly informed by the functions of the Authority as contained in sections 3 and 4 of the Act. The functions have been broken down into four programmes, which collectively constitute key strategic focus areas to which the reporting herein relates, with three of the programmes focused specifically on the core business of the entity as per the legislative mandate, and one programme focused on the administrative support to enable the achievement of the core business outcomes, outputs and functions.

In implementing the 4 outcomes stipulated in the strategic plan 2020/21 to 2024/25, 25 output indicators with targets were planned for the financial year 2023/24. In terms of the performance of the entity towards the achievement of the set targets, the entity's performance is at 92%. To ensure that the areas of underperformance are addressed as per the target that must be achieved by 2024/25, the financial resources have been allocated and the targets have been incorporated into the APP 2024/25. PSiRA anticipate that the inclusion of the targets which were not achieved during the year under review would not become a barrier in achieving targets set for the 2024/25 financial year.

Table: 1 summary of performance

| Programmes | Planned Indicator | Achieved Indicator | % Achieved Indicator |
|---|-------------------|--------------------|----------------------|
| Programme 1: Administration | 11 | 10 | 91% |
| Programme 2: Law Enforcement | 5 | 5 | 100% |
| Programme 3: Training and Communication | 6 | 5 | 83% |
| Programme 4: Registration | 3 | 3 | 100% |
| OVERALL PERFORMANCE | 25 | 23 | 92% |

3. Progress towards achievement of institutional Impacts and Outcomes

PSiRA's Strategic Plan primarily focuses on Priority 6 of the 7 priorities and related interventions of the sixth administration of government. This is the Social Cohesion and Safe Communities priority whose strategy also contributes towards Priorities 2 and 3 in respect of economic transformation, job creation, education and skills development. Through the implementation of PSiRA's Strategic Plan and Annual Performance Plan, PSiRA promotes an integrated approach to safety and security, which requires coordinated activity across government departments, the private security industry and community bodies. In this regard, PSiRA also ensured, inter alia, that -

- ♦ The private security industry acts in a responsible and ethical manner, treats citizens with dignity and does not illegally infringe on the rights of others.
- ♦ The private security industry is held accountable for non-compliance with the statutory Code of Conduct for Security Service Providers to ensure a legitimate private security industry which can contribute to improved relationships with State law enforcement agencies in the fight against crime.
- ♦ The private security industry is efficiently registered, staffed by skilled, disciplined, and professional individuals who can contribute to a safer South Africa.
- ♦ Advocating the development and promotion of the necessary qualifications and learning material to improve skills levels in the private security industry, including attracting youth employment and empowerment within the private security industry.
- ♦ Continuous implementation of the digital transformation strategy that will promote implementation of service delivery and regulatory goals in the relevant areas of the Authority; and
- ♦ Continuous implementation of the self-assessment policy which ensures that registered and active security businesses complete the industry compliance self-assessments. This helps to advocate and measure levels of compliance.
- ♦ Continue to review the registration database to ensure that it is up to date and reliable at all times.

PSiRA's impact statement and progress made towards the achievement of its five-year targets as per its Strategic Plan is as follows:

Impact: A legitimate, competent and transformed private security industry which acts in the interest of the State, the public and private security industry while contributing towards a safer South Africa.



3.1. Measuring Outcomes

| Outcomes | Outcome Indicator(s) | 5-Year Target(s) | Progress made towards achievement | Remedial Actions |
|---|-----------------------------------|---------------------------|--|---|
| Financial sustainability, accountability, relevance and performance | External audit opinion | Unqualified audit opinion | <ul style="list-style-type: none"> ♦ 2023/2024 ♦ Qualified audit opinion ♦ 2022/2023 ♦ Unqualified audit opinion ♦ 2021/2022 ♦ Qualified audit opinion. ♦ 2020/21 ♦ Unqualified audit opinion (clean audit). | <ul style="list-style-type: none"> ♦ Strengthen internal controls over principal liability. ♦ Examine and audit the portfolio of evidence pertaining to the principal liability. ♦ Prepare an interim financial statement to be audited by AGSA. ♦ Structure the Audit plan and Risk Management to address the matters that affects the audit and improve internal controls |
| | Liquidity ratio | 01:01 | <ul style="list-style-type: none"> ♦ 2023/24 - 3.84:1 ♦ 2022/23 - 2.15:1 ♦ 2021/22 - 2.07:1 | - |
| | Organisational performance rating | >80% | <p>The organisational performance for the 4 financial is as follows:</p> <ul style="list-style-type: none"> ♦ FY 2023/24 - 92% ♦ FY 2022/23 - 84% ♦ FY 2021/22 - 83% ♦ FY 2020/21 - 86% | - |

| Outcomes | Outcome Indicator(s) | 5-Year Target(s) | Progress made towards achievement | Remedial Actions |
|---|--|--|---|---|
| The private security industry is transformed. | Private Security Industry Charter implemented. | Transformation Index for the private security industry developed | <ul style="list-style-type: none"> ♦ 2023/2024 ♦ The target to submit the draft Transformation Charter to the Minister of Trade, Industry and Competition was not achieved. ♦ 2022/23 ♦ The target to submit the draft Transformation Charter to the Minister of Trade, Industry and Competition was not achieved. The target is part of the APP 2023/24. ♦ The Service Provider for the development of the transformation charter was approved by BAC for appointment. ♦ 2021/22 ♦ Consultations conducted with the Private Security Sector Advisory Committee. ♦ Draft Transformation Charter and Transformation Index for the Private Security Industry developed and approved by Council. ♦ 2020/21 ♦ Benchmarking on the development of a private security industry Transformation Charter ♦ Development and approval of a concept note on the development of the Transformation Charter. | <ul style="list-style-type: none"> ♦ Review the implementation plan for the outer years to bring in efficiencies that will allow for the achievement at the end of the period. Further consultations will be done to address resistance by the industry. |
| | Improvement in Sector Transformation Index | Baseline established for the transformation index | The transformation index was established and is part of the Draft Transformation Charter in a form of a Scorecard. | Further consultations are scheduled for the FY 2024/25. |

| Outcomes | Outcome Indicator(s) | 5-Year Target(s) | Progress made towards achievement | Remedial Actions |
|---|---|---|---|--|
| A professional, accountable and trustworthy private security industry | % Compliance with the industry's prescripts, regulations, and standards by the private security industry. | 83% | <ul style="list-style-type: none"> ♦ 2023/24 ♦ 93% ♦ 2022/23 ♦ 89% ♦ 2021/22 ♦ 86% ♦ 2020/21 ♦ 86% | |
| A capable and trained private security industry | Percentage improvement in the quality of sector training and assessment | Improvement on baseline established in 2022/23, per audit conducted on the quality of training and assessment | <ul style="list-style-type: none"> ♦ 2023/24 ♦ The target of learners completing online external assessment was not achieved. ♦ The online assessment system have been developed. ♦ 2022/23 ♦ The target of learners completing online external assessment was not achieved. The target has been incorporated in the APP 2023/34. ♦ The service provider to develop online assessment system was appointed and system development is in process. The baseline on the quality of training will be conducted in the financial year 2023/24. ♦ 2021/22 ♦ New training curriculum developed for the guarding sector courses, grades E to A as well as the accreditation of specialist security training curriculum for key cutters and private investigators. ♦ 2020/21 ♦ Concept document on online assessment approved by EXCO. | Subsequent to the appointment of the service provider to develop online assessment system in 2022/23, assessment centres will be accredited and roll-out of online assessment will commence in the FY 2024/2025. |

3.2 Changes to PSiRA’s Strategic Plan

The development of the 2023/24 Annual Performance Plan started with a critical review of the approved 2020-2025 Strategic Plan, tabled in March 2023. This included reflecting on the experience and learnings from the challenges experienced or change that occurred during the implementation of the planned outcomes and outputs. As a result, amendments to the 5-year targets were made and approved by the Accounting as well as Executive Authority. The details of these changes are as follows:

| Outcome | Amendment to outcome 5 year target | | | Note on amendment |
|--|------------------------------------|---------------------------|----------------------------------|--|
| | Outcome indicator | Baseline (2019/20) | Five-year target (By march 2025) | |
| 1. Financial sustainability, accountability, relevance and performance | External Audit opinion | Unqualified audit opinion | Unqualified audit opinion | The 5-year target to retain unqualified audit opinion over the period to 2025 was amended because qualified audit opinion was issued for the 2021/22 financial year. |

4. Performance information per programme

4.1 Programme 1: Administration

Purpose: The programme is responsible for the overall coordination of all efforts and activities of the Authority towards success. This includes achieving strategic goals, achieving organisational success, the financial management of the Authority as well as providing institutional support and services to other programmes. It is also responsible for the institutional reporting, management processes and systems to track performance against each of the strategic objectives. This programme is comprised of the following sub-programmes:

- ◆ Finance: Provides financial management, support and reporting. Facilitation and coordination of internal audit and risk management.
- ◆ Corporate Services: Provides human resource management services and support, legal services as well as ICT services and support.
- ◆ Operations: Conducts research about private security to inform development of policy, regulations and standards, security and information and document management.

Outcome: Maintain financial sustainability, accountability, relevance, and performance
The private security industry is transformed.

4.1.1 Sub-Programme: Finance

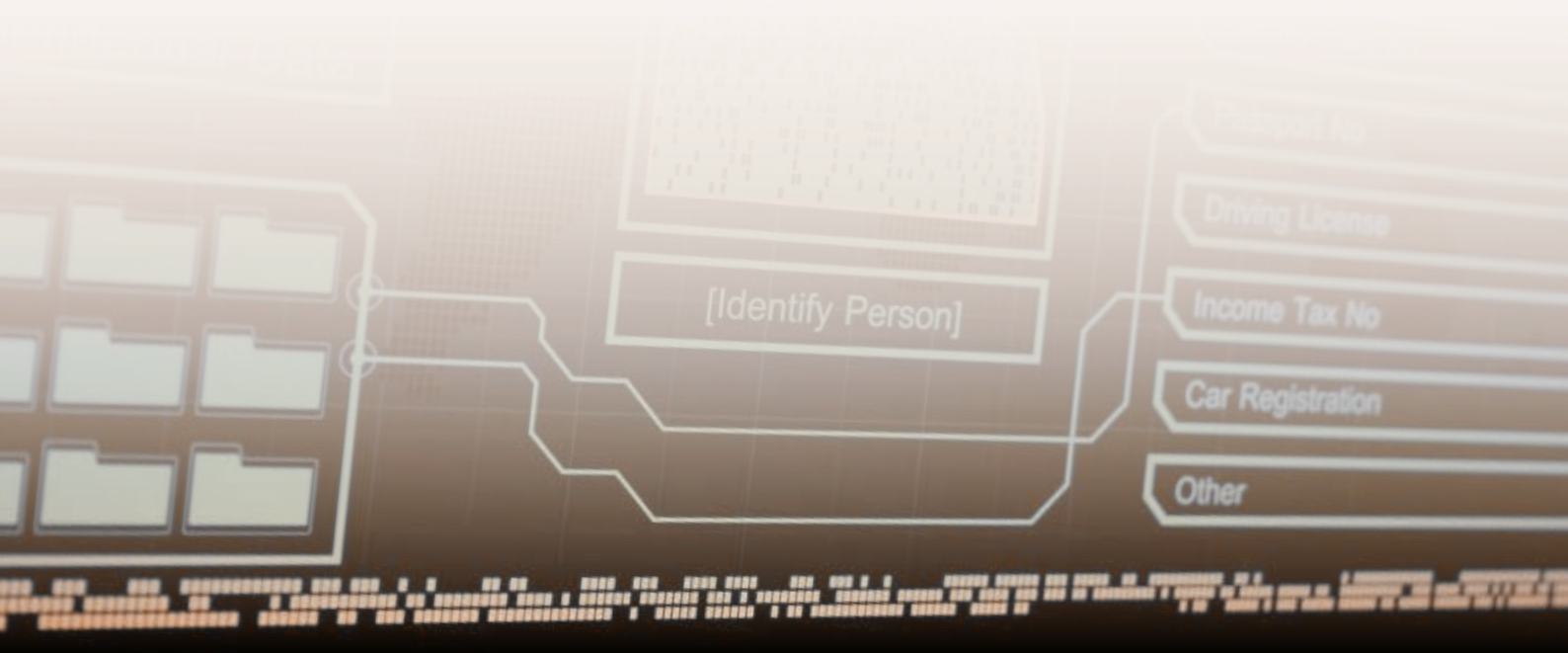
| Outcome | Output | Output Indicators | | Audited Actual Performance 2021/22 | Audited Actual Performance 2022/23 | Annual Targets | | Deviation from planned target to Actual Achievement 2023/24 | Overall progress of indicator | Reasons for deviations |
|--|--|-------------------|--|--|---|---|---|---|-------------------------------|---|
| | | | | | | Planned Annual Target 2023/24 | Actual Achievement 2023/24 | | | |
| Financial sustainability, accountability, relevance, and performance | Audit Action Plan (AGSA & Internal Audit Findings) | 1.1.1 | Percentage implementation of Audit Action Plan | 100% implementation of the Audit Action Plan actions due for the quarter | 100% implementation of the approved Internal Audit Action Plan | 100% implementation of the Audit Action Plan | 100% implementation of the Audit Action Plan | - | | N/A |
| | Statutory tabling and reporting | 1.2.1 | Percentage compliance with statutory reporting requirements | 100% compliance with statutory reporting requirements | 100% compliance with statutory reporting requirements | 100% compliance with statutory reporting requirements | 100% compliance with statutory reporting requirements | - | | N/A |
| | Risk management | 1.3.1 | Percentage implementation of the approved Strategic Risk Mitigation Plan | 75% implementation of the approved Strategic Risk Mitigation Plan | 90% implementation of the approved Strategic Risk Mitigation Plan | 75% implementation of the approved Strategic Risk Mitigation Plan | 93% implementation of the approved Strategic Risk Mitigation Plan | +18% | | Continuous monitoring resulted in enhanced efforts in the implementation of the action plans. |
| | Revenue collection | 1.4.1 | Percentage of billed revenue collected | 81% billed revenue collected | 81% billed revenue collected. | 80% billed revenue collected | 86% billed revenue collected | +6% | | The increase is as a result of debt collection strategies implemented, ease of use of system and collaboration with business development unit for individual engagement with clients. |

4.1.2 Sub-Programme: Corporate Services

| Outcome | Output | Output Indicators | Audited Actual Performance 2021/22 | Audited Actual Performance 2022/23 | Annual Targets | | Deviation from planned target to Actual Achievement 2023/24 | Overall progress of indicator | Reasons for deviations |
|--|--|--|---|--|---|--|---|-------------------------------|---|
| | | | | | Planned Annual Target 2023/24 | Actual Achievement 2023/24 | | | |
| Financial sustainability, accountability, relevance, and performance | Business process digitisation | 1.5.1 Percentage implementation of digital business strategy implementation plan | 55% of digital strategy and implementation plan implemented | 65% of the digital strategy implemented. | 100% implementation of digital business strategy implementation plan. | 100% of digital strategy and implementation plan implemented | - | | N/A |
| | Human resources management and development | 1.6.1 Percentage of the vacancy rate against the approved funded positions | 6.2% | 6.2% | Not more than 7% | 5.3% | - | | The recruitment plan was reviewed to fast track filling of positions as well as the availability of panellists ensured that interviews were not delayed |
| | | 1.6.2 Percentage of employee performance rating assessed at 3 and above as per Performance Management System | 98% of assessed employees performed on rating of 3 and above. | 99.6% of assessed employees perform on rating of 3 and above | 95% of assessed employees perform on rating of 3 and above for 2022/23 FY | 99.3% of assessed employees performed on rating of 3 and above | +4,3% | | <ul style="list-style-type: none"> Workshopping of the performance management policy and processes. Continuous update of the of Key Performance Indicator (KPI) Library when there are change on the role description. Implementation of improvement intervention plans for underperformers. |
| | Industry regulation | 1.7.1 Number of draft regulations approved by EXCO. | 4 | 3 | 1 | 1 | - | | N/A |

4.1.3 Sub-Programme: Research And Development

| Outcome | Output | Output Indicators | Audited Actual Performance 2021/22 | Audited Actual Performance 2022/23 | Annual Targets | | Deviation from planned target to Actual Achievement 2023/24 | Overall progress of indicator | Reasons for deviations |
|--|-----------------------------------|---|--|--|---|--|---|-------------------------------|--|
| | | | | | Planned Annual Target 2023/24 | Actual Achievement 2023/24 | | | |
| | | | | | | | | | |
| Financial sustainability, accountability, relevance, and performance | Sector research | 1.8.1 Number of relevant research reports completed | 5 | 5 | 5 | 5 | - | | N/A |
| | | 1.8.2 Number of completed survey | 4 | 4 | 4 | 4 | - | | N/A |
| The private security industry is transformed | Private Security Industry Charter | 4.1.1 Draft Transformation Charter for the Private Security Industry submitted for approval | Draft Transformation Charter and Transformation Index for the Private Security Industry developed and approved | Service Provider has been approved by BAC for appointment. Consultation with the Private Security Industry Advisory Committee. | Transformation Charter for the private security industry approved. Baseline for Transformation Index completed. | Draft Transformation charter developed but not submitted to DTIC for approval. Index completed | Transformation Charter not approved | | The charter was delayed mainly by objections from industry stakeholders. |



4.2 Programme 2: Law enforcement

Purpose: This programme is responsible for ensuring that industry players operate and comply with regulations and standards, and it takes appropriate action where violations happen. This programme consists of the following sub-programmes:

- Compliance and Enforcement: Ensure that industry players operate and comply with regulations and standards and take appropriate action where violations happen;
- Prosecutions: Prepares and presents evidence about improper conduct by the industry participants.

Outcome: A professional, accountable, and trustworthy private security industry

4.2.1 Sub-Programme: Compliance and Enforcement

| Outcome | Output | Output Indicators | Audited Actual Performance 2021/22 | Audited Actual Performance 2022/23 | Annual Targets | | Deviation from planned target to Actual Achievement 2023/24 | Overall progress of indicator | Reasons for deviations |
|--|--------------------------------------|--|------------------------------------|------------------------------------|---|----------------------------|---|-------------------------------|--|
| | | | | | Planned Annual Target 2023/24 | Actual Achievement 2023/24 | | | |
| A professional, accountable, and trustworthy private security industry | Industry inspection | 2.2.1 Number of security businesses inspected to enforce compliance with Private Security Industry Regulation Act (2001) | 6 851 | 7 236 | 5 650 security businesses inspected | 7 886 | +2 236 | | Implemented intervention plans and focused on outstanding infrastructures inspections. |
| | Security business firearm inspection | 2.2.2 Number of security officers inspected to enforce compliance with Private Security Industry Regulation Act (2001) | 30 744 | 36 406 | 29 640 security officers inspected | 39 119 | +9 479 | | Capitalised on special events and Joint Operations with stakeholders. |
| | | 2.3.1 Number of security businesses licensed for firearms inspected. | 1 988 | 2 285 | 1 725 Security businesses licensed for firearms inspected | 2 252 | +527 | | Owing to the proliferation of firearms in the PSI. Focus was made on National Key Point (NKP), and Mining sectors. |
| | Investigations | 2.4.1 Percentage complaints finalised through an investigation against security service providers. | 95% | 98% | 90% of complaints finalised through an investigation against security service providers | 97% | +7% | | Capitalised on Joint Operations conducted with stakeholders. |

4.2.2 Sub-Programme: Prosecutions

| Outcome | Output | Output Indicators | Audited Actual Performance 2020/21 | Audited Actual Performance 2021/22 | Annual Targets | | Deviation from planned target to Actual Achievement 2023/24 | Overall progress of indicator | Reasons for deviations |
|--|---------------------------------------|---|------------------------------------|------------------------------------|--|------|---|-------------------------------|--|
| | | | | | | | | | |
| A professional, accountable, and trustworthy private security industry | Improper conduct enquiries prosecuted | 2.5.1 Percentage of cases of non-compliant SSPs successfully prosecuted per year. | 100% | 100% | 92% of cases of non-compliant SSPs successfully prosecuted | 100% | +8% | | During the year under review, PSIRA managed to implement all internal approved Business process effectively and efficiently as all process are pre-determined in nature. |



4.3 Programme 3 Training and Communication

Purpose: This programme is responsible for ensuring quality of training offered in the industry, stakeholder relations and communication of compliance and industry regulations. The programme consists of the following sub-programmes:

- ♦ Industry Training: Provides development of sector-based training, accreditation services and standards.
- ♦ Marketing, Brand Management and Communications: Ensures that PSiRA’s functions and services are adequately promoted.

Outcomes: Financial sustainability, accountability, relevance and performance.

- ♦ A professional, accountable and trustworthy private security industry.
- ♦ A capable and trained private security industry

4.4.1 Sub-Programme: Training

| Outcome | Output | Output Indicators | Audited Actual Performance 2021/22 | Audited Actual Performance 2022/23 | Annual Targets | | Deviation from planned target to Actual Achievement 2023/24 | Overall progress of indicator | Reasons for deviations |
|---|---------------------------------|--|--|---|--|----------------------------|---|-------------------------------|--|
| | | | | | Planned Annual Target 2023/24 | Actual Achievement 2023/24 | | | |
| A capable and trained private security industry | Accreditation | 3.1.1 Number of accredited instructors monitored and audited | 120 Instructors | 320 Instructors | 300 Instructors | 323 Instructors | + 23 | Green | PSiRA Published a circular on instructors conduct early in 2023, and SSP had to request audits of instructors leading to overachievement. |
| | Accreditation of Qualifications | 3.2.1 Number of qualifications accredited | 2 Qualifications | 9 Qualifications | 10 Qualifications | 10 Qualifications | - | | N/A |
| | External assessment | 3.3.1 Percentage of learners completing on-line external assessments | Briefing session held on the 19th of January and closing date for submission was on the 4th February 2022. | 0% Service provider to develop online assessment system was appointed and system development is in process. | 20% of learners completing online external assessments | 0% | -20% | Red | The delays in the procurement of the service provider to develop the system. System testing was delayed by the service provider due to delayed API address deployment |

4.4.2 Sub-Programme: Communications, Marketing And Stakeholder Relations

| Outcome | Output | Output Indicators | Audited Actual Performance 2021/22 | Audited Actual Performance 2022/23 | Annual Targets | | Deviation from planned target to Actual Achievement 2023/24 | Overall progress of indicator | Reasons for deviations |
|---|-----------------------------|--|--|--|--|--|---|-------------------------------|---|
| | | | | | Planned Annual Target 2023/24 | Actual Achievement 2023/24 | | | |
| Financial sustainability, accountability, relevance, and performance. | Stakeholder relations | 1.9.1 Number of new cooperation agreements entered into with industry regulatory bodies in other countries | 1 Agreement approved and signed | 1 new cooperation agreement | 1 new cooperation agreement entered into | 1 | - | | N/A |
| A professional, accountable, and trustworthy private security industry. | Marketing and communication | 2.1.1 Number of external stakeholder awareness workshops conducted | 71 stakeholder awareness workshops conducted | 70 stakeholder awareness workshops conducted | 70 stakeholder awareness workshops conducted | 91 stakeholder awareness workshops conducted | +21 | | Additional workshops including online assessment, self-assessment, twitter space and Transformation Charter workshops |
| | | 2.1.2 Number of marketing campaigns held | 40 Stakeholder awareness campaigns | 47 Stakeholder awareness campaigns | 25 marketing campaigns | 97 marketing campaigns | +72 | | Additional activities were included in the marketing plan, Ad-hoc advertising on Billboards, online bookings, annual fees, active and inactive officers, promote complaints office. |

4.4 Programme 4: Registration

Purpose: This programme is responsible for the registration of industry business and security officers.

Outcomes: A professional, accountable, and trustworthy private security industry.

| Outcome | Output | Output Indicators | Audited Actual Performance 2021/22 | Audited Actual Performance 2022/23 | Annual Targets | | Deviation from planned target to Actual Achievement 2023/24 | Overall progress of indicator | Reasons for deviations |
|--|--------------|--|------------------------------------|------------------------------------|-------------------------------|----------------------------|---|-------------------------------|---|
| | | | | | Planned Annual Target 2023/24 | Actual Achievement 2023/24 | | | |
| A professional, accountable, and trustworthy private security industry | Registration | 2.7.1 Average turnaround time for implementing registration committee resolution(s) for individual applications with an illicit activity | New indicator | New indicator | Average of 7 working days | Average of 3 days | - 4 days | | The processes to manage applications with an illicit activity were streamlined to improve the turnaround time on completion of the application. |
| | | 2.7.2 Number of active registered security businesses on the database reviewed | New indicator | New indicator | 1 500 businesses | 1 502 businesses | +2 | | The processes were managed effectively according to the guidelines provided. |
| | Registration | 2.7.3 Number of active registered security officers on the database reviewed | New indicator | New indicator | 29 000 individuals | 30 248 individuals | +1 248 | | The increase in Human Capital has contributed to over achievement. |

4.5. Explanation for major variances and achievements

a. Programme 1: Administration

| | | |
|-----|---|---|
| (a) | Output Indicator | Percentage of billed revenue collected |
| | Explanation for major variances (Over-achievement) | The increase is a result of implemented debt collection strategies, ease of use of systems and collaboration with the business development unit for individual engagement with clients. |
| (b) | Output Indicator | Percentage implementation of the approved Strategic Risk Mitigation Plan |
| | Explanation for major variances (Over-achievement) | Continuous monitoring resulted in enhanced efforts in the implementation of the action plans. |
| (c) | Output Indicator | Percentage of the vacancy rate against the approved funded positions |
| | Explanation for major variances (Over-achievement) | The recruitment plan was reviewed to fast track the filling of positions while the availability of panellists ensured that interviews were not delayed. |
| (d) | Output Indicator | Percentage of employee performance rating assessed at 3 and above as per Performance Management System |
| | Explanation for major variances (over-achievement) | <ul style="list-style-type: none"> ♦ Workshopping of the performance management policy and processes. ♦ Continuous update of the of Key Performance Indicator (KPI) Library when there are change on the role description. ♦ Implementation of improvement intervention plans for underperformers. |
| (e) | Output Indicator | Transformation Charter for the private security industry approved. |
| | Explanation for major variances (Under-achievement) | The charter was mainly delayed by objections from industry stakeholders. |
| | Actions to address under-achievement | Further consultations to be conducted with the industry by 30 June 2024. |

b. Programme 2: Law Enforcement

| | | |
|-----|--|--|
| (a) | Output Indicator | Number of security businesses inspected to enforce compliance with Private Security Industry Regulation Act (2001) |
| | Explanation for major variances (Over-achievement) | Implemented intervention plans and focused on outstanding infrastructures inspections. |
| (b) | Output Indicator | Number of security officers inspected to enforce compliance with Private Security Industry Regulation Act (2001) |
| | Explanation for major variances (over-achievement) | Capitalised on special events and Joint Operations with stakeholders |

| | | |
|-----|--|--|
| (C) | Output Indicator | Number of security businesses licensed for firearms inspected. |
| | Explanation for major variances (Over-achievement) | Owing to the proliferation of firearms in the PSI, focus was on NKP and Mining sectors. |
| (d) | Output Indicator | Percentage complaints finalised through an investigation against security service providers. |
| | Explanation for major variances (Over-achievement) | Capitalised on Joint Operations conducted with stakeholders |
| (a) | Output Indicator | Percentage of cases of non-compliant SSPs successfully prosecuted per year. |
| | Explanation for major variances (Over-achievement) | During the year under review, PSiRA managed to implement all internally approved business processes effectively and efficiently. |

c. Programme 3: Training and Communications

| | | |
|-----|---|---|
| (a) | Output Indicator | Number of accredited instructors monitored and audited. |
| | Explanation for major variances (Over-achievement) | PSiRA published a circular on instructor conduct early in 2023 and SSP had to request instructor audits leading to overachievement. |
| (c) | Output Indicator | Percentage of learners completing on-line external assessments |
| | Explanation for major variances (under-achievement) | <ul style="list-style-type: none"> - The delays in the procurement of the service provider to develop the system. - System testing was delayed by the service provider due to delayed API address deployment. |
| | Actions to address under-achievement | System testing and training has been concluded. Piloting will commence in Quarter 1 of 2024/25 |
| (d) | Output Indicator | Number of external stakeholder awareness workshops conducted |
| | Explanation for major variances (Over-achievement) | Additional workshops including online assessment, self-assessment, twitter space and Transformation Charter workshops |
| (e) | Output Indicator | Number of marketing campaigns held |
| | Explanation for major variances (Over-achievement) | Additional marketing plans included Ad-hoc advertising on Billboards, online bookings, annual fees, active and inactive officers and promoting the complaints office. |

d. Programme 4: Registration

| | | |
|-----|--|---|
| (a) | Output Indicator | Average turnaround time for implementing registration committee resolution(s) for individual applications with an illicit activity |
| | Explanation for major variances (Over - achievement) | The processes to manage applications with an illicit activity were streamlined to improve the turnaround time on completion of the application. |
| (b) | Output Indicator | Number of active registered security businesses on the database reviewed |
| | Explanation for major variances (Over - achievement) | The processes were managed effectively according to the guidelines provided. |
| (c) | Output Indicator | Number of active registered security officers on the database reviewed |
| | Explanation for major variances (Over-achievement) | The increase in Human Capital has contributed to over achievement. |

5. Linking performance with budgets

| Programme | 2022/23 | | | 2023/24 | | |
|-----------------------------|---------|--------------------|---------------------------|---------|--------------------|---------------------------|
| | Budget | Actual Expenditure | (Over)/ Under Expenditure | Budget | Actual Expenditure | (Over)/ Under Expenditure |
| | R'000 | R'000 | R'000 | R'000 | R'000 | R'000 |
| Administration | 213 866 | 231 598 | 268 | 250 606 | 282 091 | (31 485) |
| Law Enforcement | 134 720 | 126 523 | 8 197 | 135 489 | 148 415 | (12 926) |
| Training and Communications | 37 172 | 25 215 | 11 957 | 41 951 | 37 461 | (4 490) |
| Registration | 23 782 | 20 349 | 3 433 | 24 667 | 26 376 | (1 709) |
| Total | 409 540 | 385 685 | 23 855 | 452 713 | 494 343 | 41 163 |

6. PSiRA's response to prioritising women, youth and persons with disabilities:

6.1 Youth Skills Development

Youth programmes are one of the contributions PSiRA partakes in towards the National Development Plan (NDP) goals by empowering and creating employment for the South African youth. During the 2023/2024 Financial Year, PSiRA effectively implemented the following five (5) Youth Programmes with the intent to develop the youth's knowledge, performance and skills.

- ♦ 23 learners on the SASSETA internship programme, that ended in December 2023.
- ♦ 24 learners on the SASSETA Work Integrated Learning programme, ending December 2024.
- ♦ 17 learners on the PSiRA Internship programme that ended in June 2024.
- ♦ 30 learners on the TUT Work Integrated programme, that ended in October 2023.
- ♦ 23 learners on YES programme, ending January 2025.

6.2 Implemented Programmes for people with disabilities

During the 2023/ 2024 Financial Year, the Authority had two (2) employees with disabilities that attended the following programmes: Data Analysis Training; Employment Equity Committee; Executive Cohesion; Grap Training and Media Training.

6.3 Employment Equity

The Authority has an implemented Employment Equity Plan for the 2022-2027 period, and according to the plan's provisions, the Authority will appoint six (6) people with disabilities at the conclusion of the plan. Currently, two people with disabilities have been appointed in accordance with the plan's provisions, and two more will be appointed for the fiscal year 2024/2025, bringing the Authority's total to four people with disabilities.

6.4 Outreach programmes

◆ Slipper Day

On Friday 05 May 2023, the Authority participated in Slipper Day, an initiative by the Reach for A Dream Foundation to raise funds aimed at helping a child fight a life-threatening illness through the sale of stickers.

As part of Corporate Social Responsibility (CSR), the Authority purchased 380 stickers for all PSiRA employees at R20.00 each, amounting to **R7600.00**. Stickers were distributed to all the offices, and employees could wear sleepers at work and redeem free coffee at Wimpy as part of the cause.

◆ Take A Girl Child to Work Campaign

The Authority participated in The **Cell C Take a Girl Child to Work Day Campaign** on Thursday 25 May 2023, under the theme #MoreThanADay. This focused on innovative ways to advance gender equality and the empowerment of women and girls. The theme further embeds that through believing in their dreams, girl learners have the power to inspire, influence and lead.

The Campaign was targeted at Grade 8 to 12 girl learners and allowed them to visit the workplace in order to experience the corporate world firsthand. A total of 20 girls from Sinenjongo High School in Cape Town visited the Cape Town Office for the day. The girls had motivational talks with the women managers from the Head office via MS Teams. Transport, catering and gifts were arranged for them.

◆ Child Protection Week

The Authority participated in the **2023 National Child Protection Week** by donating 120 school uniforms to a disadvantaged school in Mthatha, in the Eastern Cape on Friday 02nd June 2023. The National Child Protection Week (CPW) is observed in South Africa annually to raise awareness of children's rights as articulated in the Children's Act of 2005. The Campaign began in 1997 and aims to mobilise all sectors of society to ensure that children are cared for and protected. The Campaign took place from 29th May to 05th June 2023. The Campaign also aims to deal with child abuse while educating communities about child protection. During the week, citizens wear a green ribbon to show support for the promotion of the rights, care and safety of children.

The chosen school was Fairfield Primary School, located in rural Fairfield, Mthatha. Most of the learners at the school are from low income households where their parents and guardians are farm workers. The uniform donated amounted to **R67 000.00**.

◆ Wheel Chair Donation

On Thursday, 29 June 2023, PSiRA donated an electronic wheelchair to Ms Mbali Mdhletshe (32), a newly registered Security Officer from Welbedacht West in Kwa-Zulu Natal. Ms Mdhletshe experienced challenges during her registration process as her fingerprints were unclear and returned as a retake at the PSiRA Durban branch. She had to re-visit the office, which was costly for her since she required special transportation. Ms Mdhletshe contacted the KZN Provincial Manager, Ms Ncamisile Mhlongo and stated her challenges. As a PSiRA value-entrenched employee, the Provincial Manager

personally went and assisted Mdhletshe at her home. When her PSiRA certificate and card were approved, the Provincial Manager delivered them to Mdhletshe's house, where she found her using an old wheelchair that needed to be replaced, which Ms Mdhletshe could not afford. As an Ubuntu centred organisation, the Authority intervened and donated a new electronic wheelchair which will assist her to move around at a cost of **R26 000.00**.

♦ **PSiRA Donated School Uniform to Kgetleng Primary School-NW**

PSiRA brought smiles to the learners of Kgetleng Primary School situated in Swaruggens, 65km outside Rustenburg, on Mandela Day. An annual celebration in honour of Nelson Mandela, it is commemorated each year on 18th July, Mandela's birthday.

The Authority donated school uniform to 250 learners in need, installed 16 doors, 12 green chalkboards and a signage (board) at the school. The school accommodates more than 1800 learners and is categorised as Quintile 1. The area has a very high unemployment rate resulting to poverty. Most of the learners are from disadvantaged households where some do not have birth certificates which hinders them from applying for social grants.

♦ **Take A Boy Child Work Campaign**

On Friday 20th October 2023, the Authority hosted 20 boy learners from Olievenhoutbosch Secondary School in Gauteng for a "Take A Boy Child to Work Campaign." Targeted at Grade 8 to 12 boys, the campaign aims to afford them an opportunity to visit a workplace and to learn first-hand about the corporate world and various career opportunities available within private security industry and the public sector at large.

♦ **Donation to the Bhengu Family**

On the 26th of October 2023, the Authority visited Sizwe Bhengu's family, a security officer who has been blessed with quadruplets, in Nkandla to try and offer assistance with their babies. As an organisation that strives to give back to its community, the Authority donated nappies and formula estimated to last at least six months to relieve Sizwe of the monthly expenditure of R3500.00 for both items. The total cost of the items was **R40 000**.



7. Industry Registration

Purpose: This programme is responsible for the vetting, renewal and registration of industry business and security officers.

Outcomes:

- ◆ Registering Security service providers.
- ◆ Renewal of PSiRA certificates and PSiRA Identity cards
- ◆ Vetting of individuals including citizenship and illicit activity.

7.1 Introduction

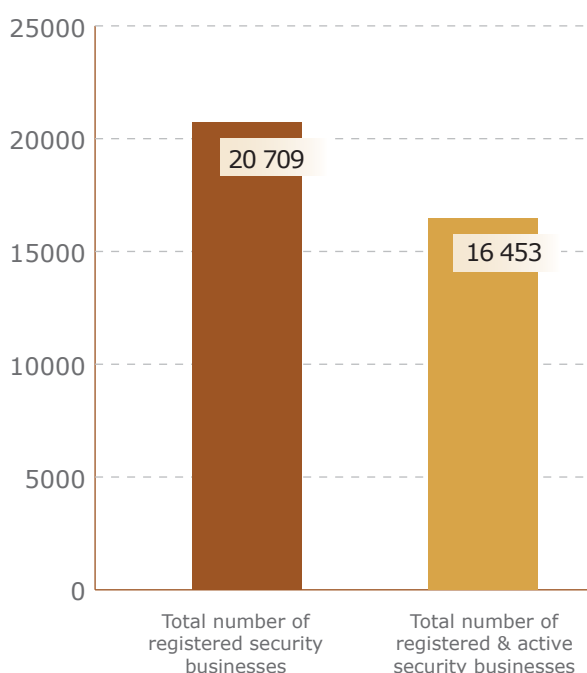
One of the objects of the Authority as contemplated in section 3 of the Private Security Industry Regulation Act, 2001 is to ensure that the process of registration of security service providers is transparent, fair, objective and concluded timeously. In order to fulfil its mandatory duty, the Registration Department is divided into two units responsible for business registrations and individual registrations respectively, which also allows each unit to focus on its respective targets and mandate and in turn, ensure that set output indicators are aspired to.

7.2 Overview

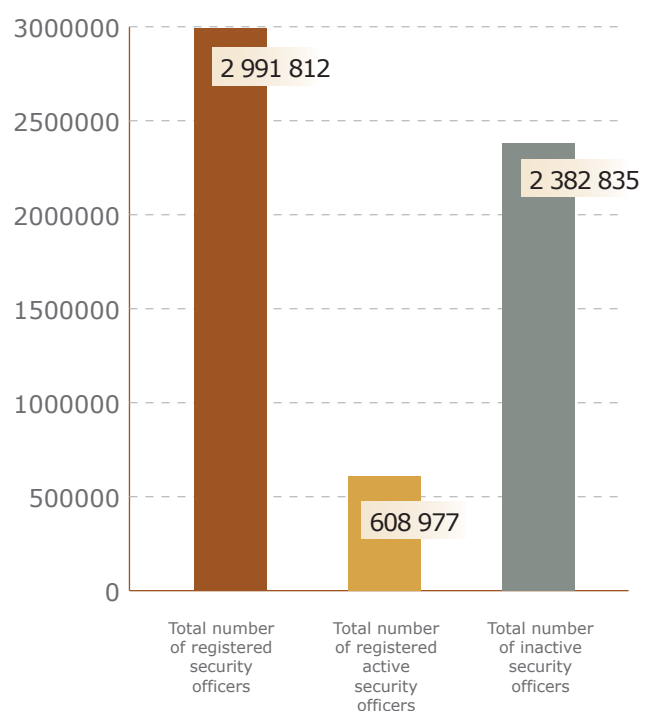
As of March 31, 2024, there are 2 991 812 registered Security Officers with PSiRA, of which 608 977 are currently active, representing a participation rate of 20.36% among security officers. On the other hand, there are 20 709 registered Security Companies, with at least 16 453 actively engaged in security activities, reflecting a participation rate of 79.45% among active businesses.

Security Service Providers as at 31 March 2023

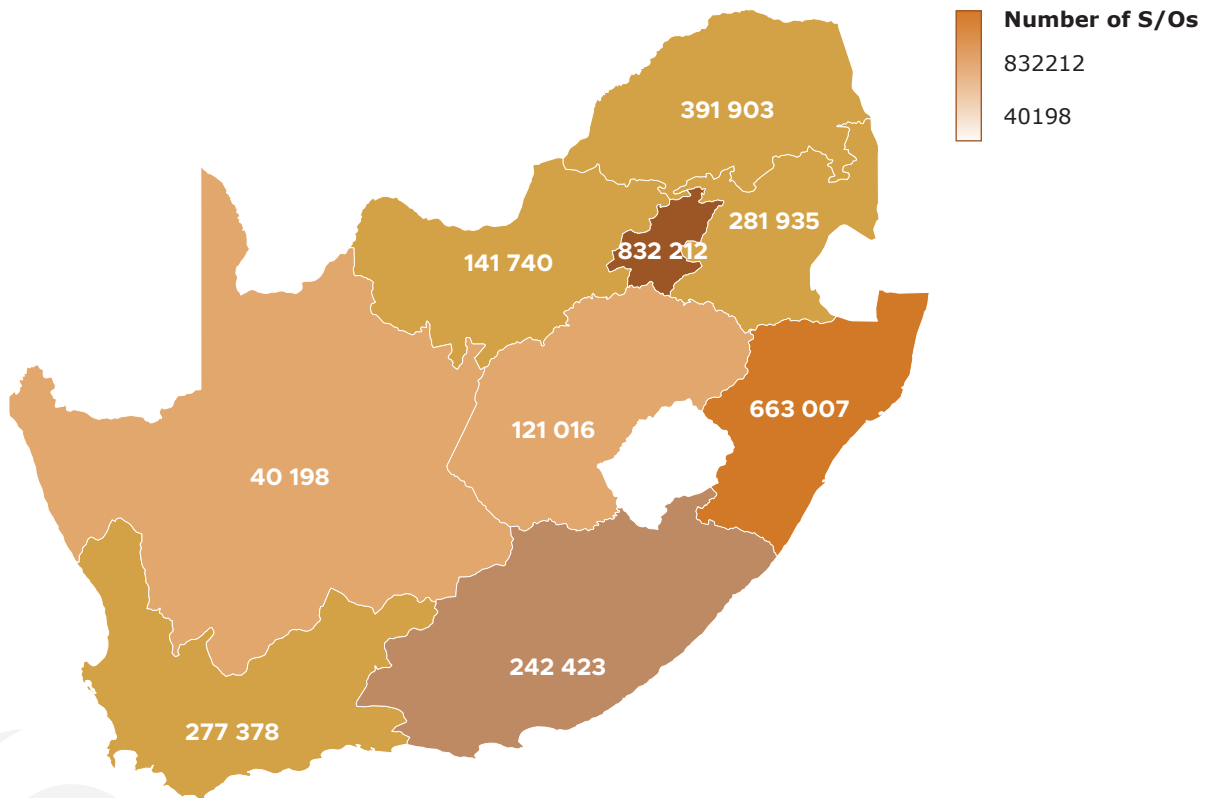
Businesses



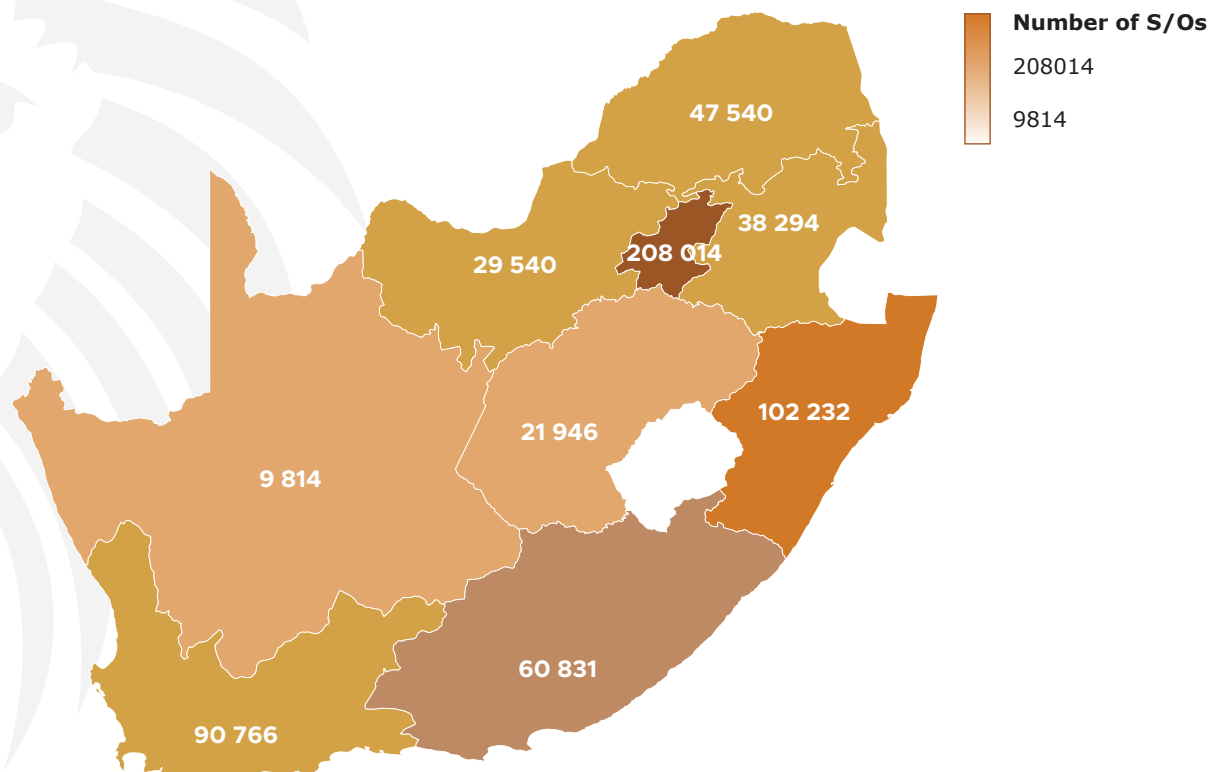
Individuals



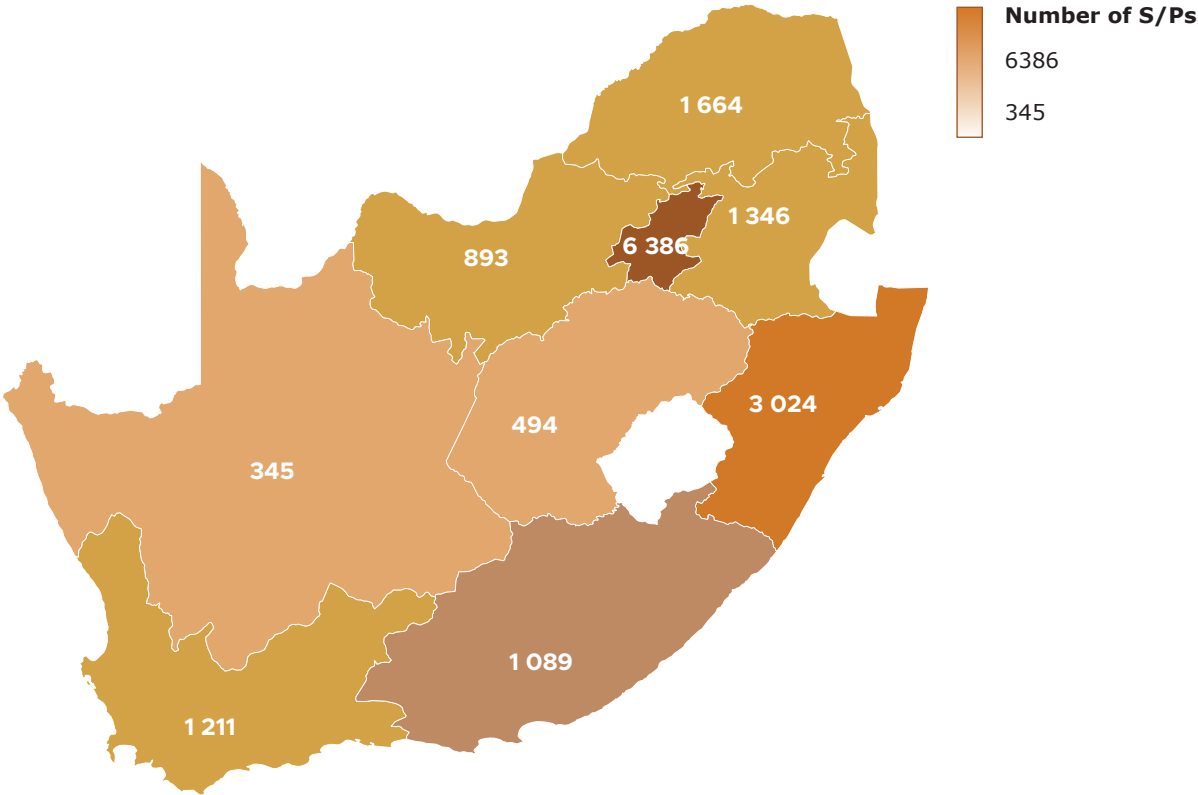
a. Geographical Distribution of Registered Security Officers (SO's) - 31 March 2024



b. Geographical Distribution of Registered and Employed (Active) security officers (SO's) - 31 March 2024

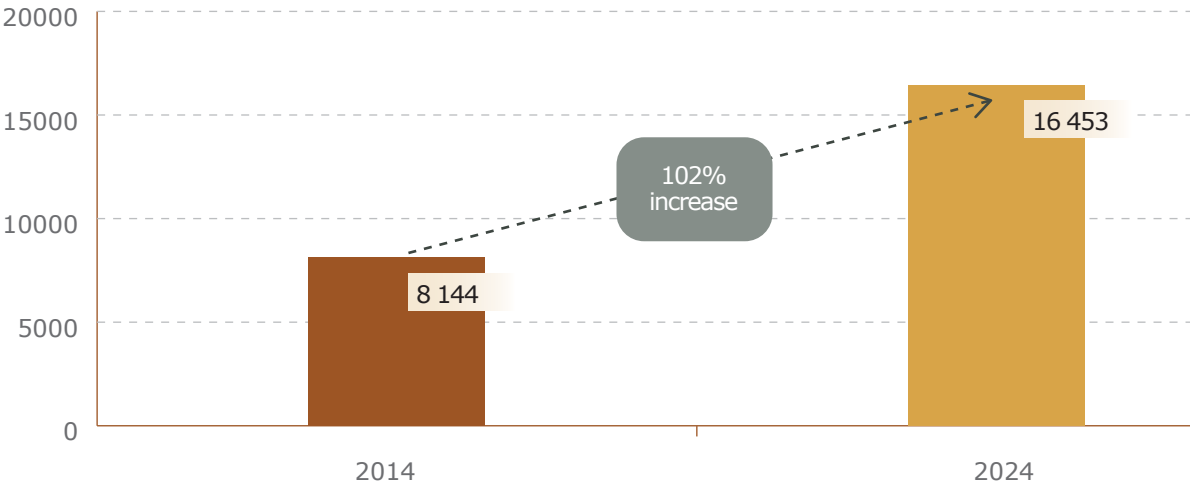


c. Geographical Spread of total Registered & Active Security Businesses (SP's) - 31 March 2024



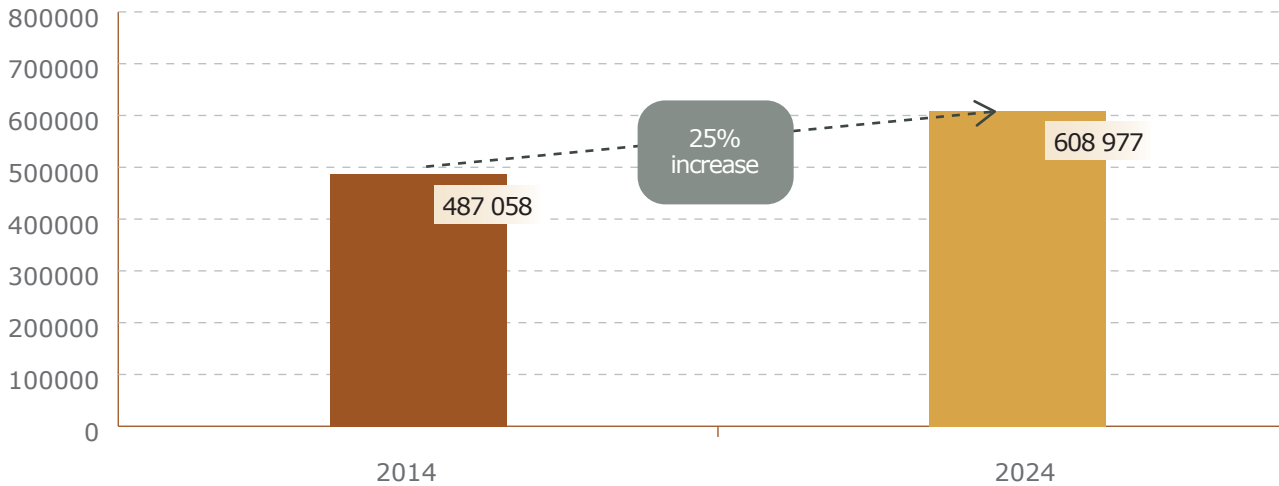
d. Growth of the Security Industry since 2014: Active Security Businesses

Growth of Active Security Businesses over the past 10 years



e. Growth of the Security Industry since 2014: Active and Registered Security Officers

Growth of Active Security Individuals over the past 10 years



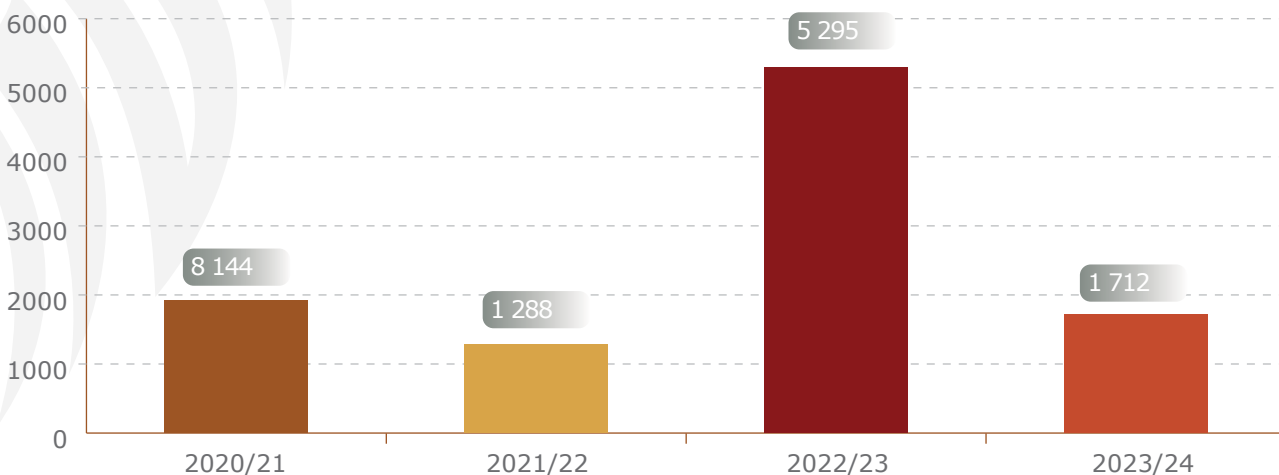
7.3 Security Officers

a. Number of New Applications received by the Criminal Record Centre and captured during the financial year 2023/2024

| | |
|--|----------------|
| Approved | 165 836 |
| Case awaiting trial | 3 742 |
| Rejected individual applications (<i>Criminal Record</i>) | 1 712 |
| Applications at CRC (Verification phase) | 62 749 |
| Applications with possible criminal record (<i>Query by CRC</i>) | 9 297 |
| Retakes (<i>Poorly taken fingerprints</i>) | 41 941 |

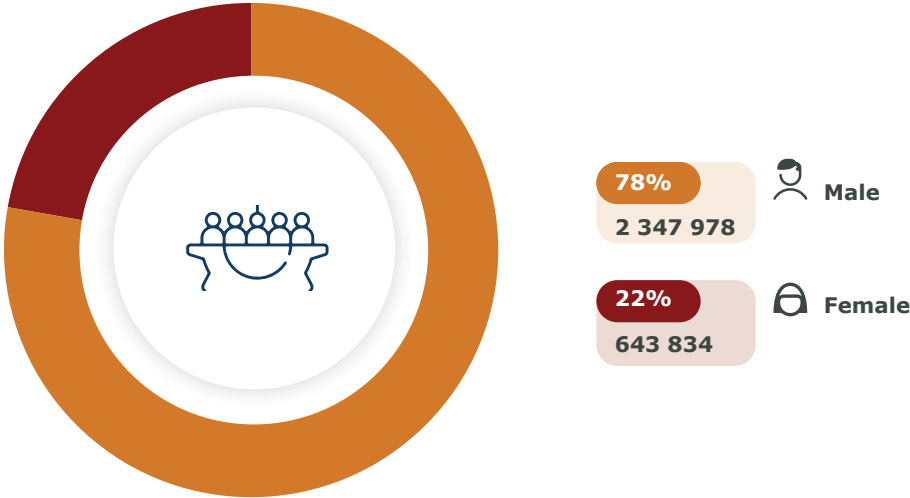
Breakdown of Rejected applications due to a criminal record from 2020 - 2024

Declined applications due to a Criminal record



b. Gender profile of Registered Security Officers

Percentages I.R.O Gender in South Africa

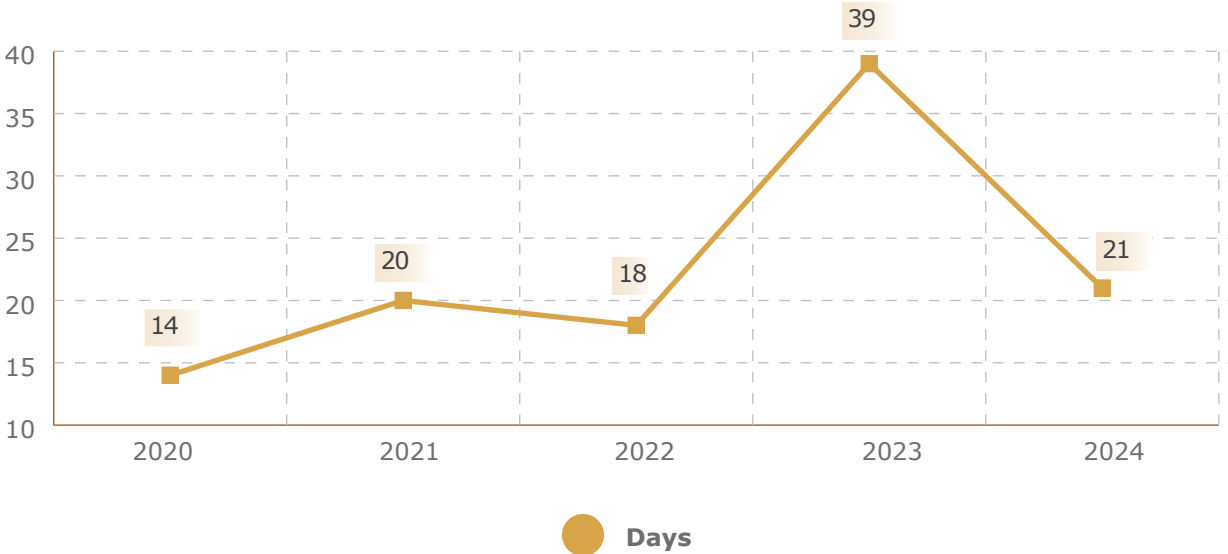


c. ePSiRA Activity 2024 – Individuals

| | TOTAL |
|--------------------------------|---------|
| Individual profiles claimed | 338 452 |
| PSiRA I.D cards printed | 263 912 |
| Number of certificates renewed | 396 818 |

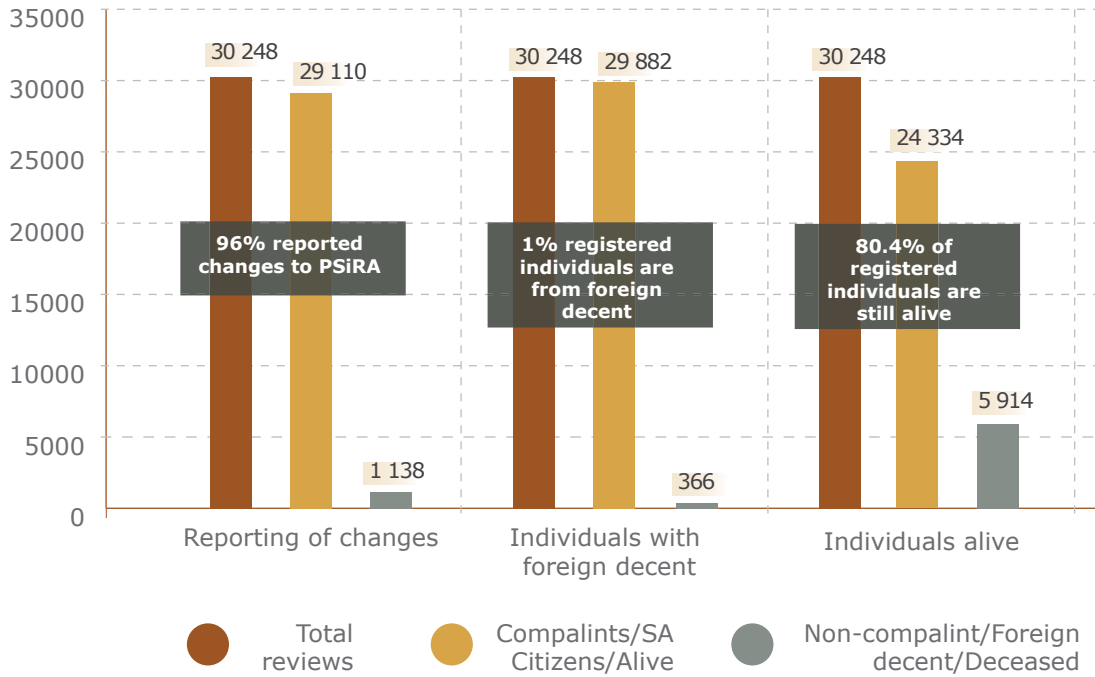
d. Turnaround time achieved for business registrations from 2023 – 2024

Turnaround time achieved to register individual application from 2020 – 2024



e. Review of Security officers on the PSiRA database

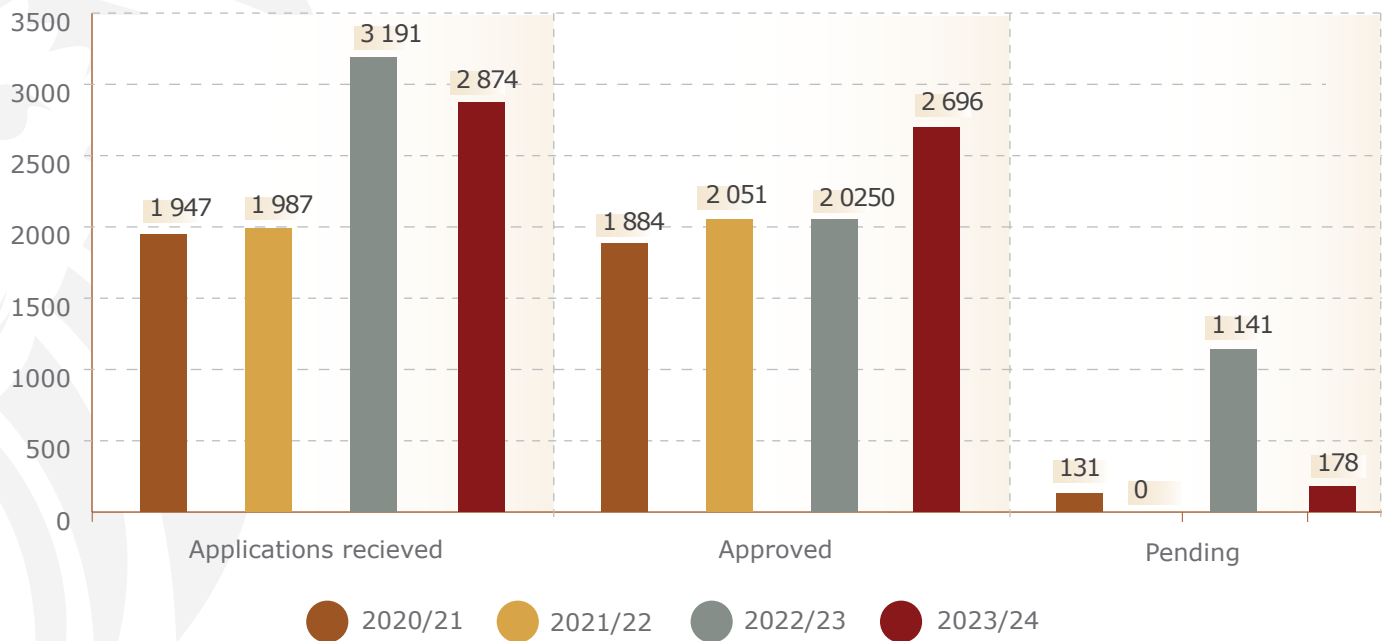
Individual reviews: YTD



7.5 Security businesses

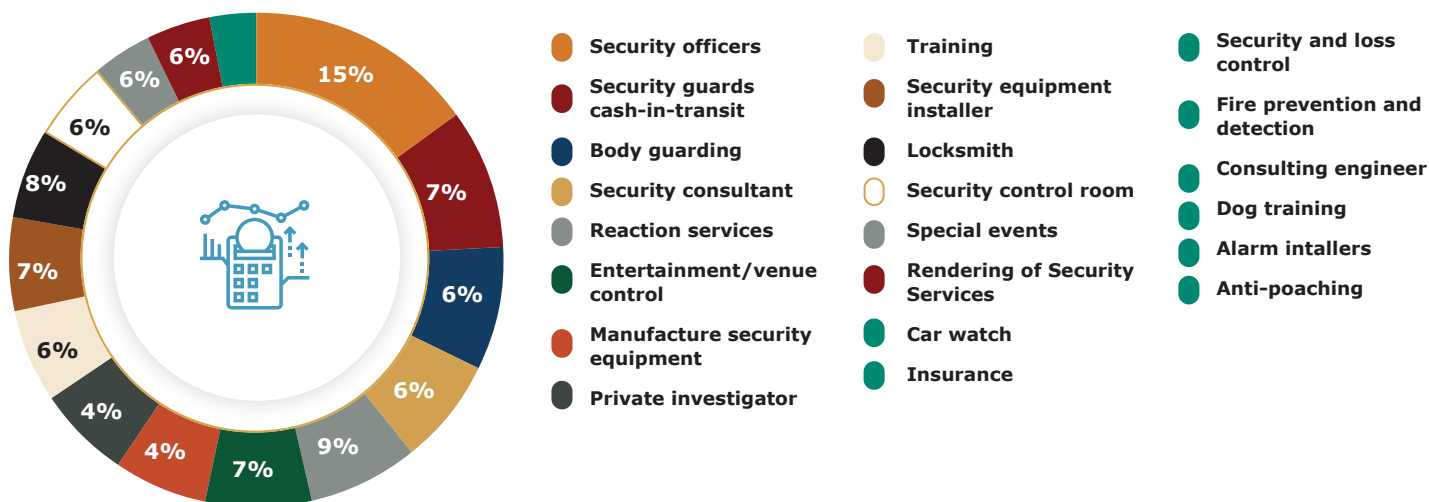
a. Number of New Applications received and approved from 2020 - 2024

Number of New Applications received and approved



b. Registration information pertaining to the different types of security services offered by Registered Security Businesses

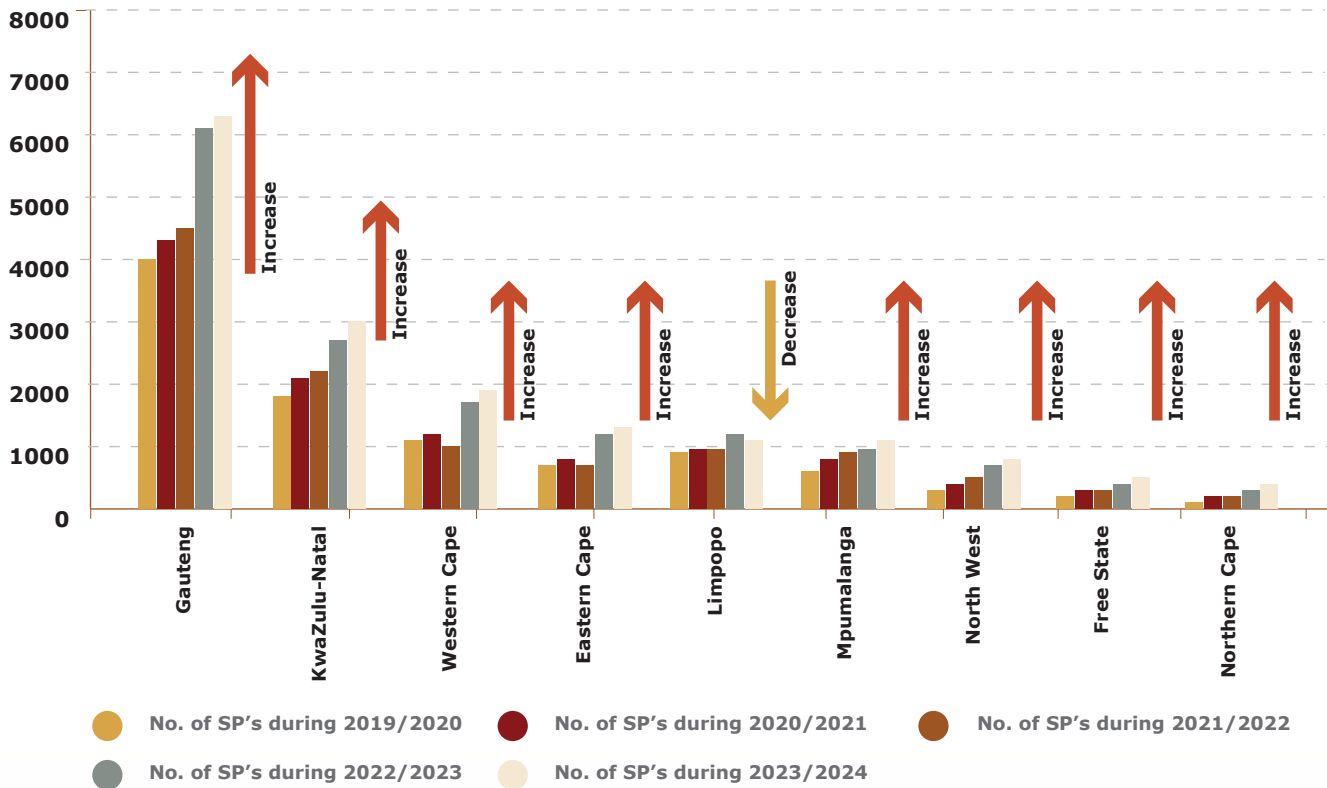
Category distribution in the Security Industry as at 31 MARCH 2024



c. Provincial Breakdown of Registered and Active Security Businesses from 2019 to 2024:

| Province | No. of SP's during 2019/2020 | No. of SP's during 2020/2021 | No. of SP's during 2021/2022 | No. of SP's during 2022/2023 | No. of SP's during 2023/2024 |
|---------------|------------------------------|------------------------------|------------------------------|------------------------------|------------------------------|
| Gauteng | 4 026 | 4 386 | 4 630 | 6110 | 6 386 |
| KZN | 1 926 | 2 048 | 2 186 | 2675 | 3 024 |
| Western Cape | 1 104 | 1 137 | 1 012 | 1494 | 1 664 |
| Eastern Cape | 793 | 831 | 796 | 1124 | 1 346 |
| Limpopo | 931 | 998 | 1 031 | 1304 | 1 211 |
| Mpumalanga | 664 | 801 | 842 | 969 | 1 089 |
| North West | 427 | 505 | 538 | 727 | 893 |
| Free State | 282 | 309 | 327 | 455 | 494 |
| Northern Cape | 145 | 180 | 178 | 255 | 345 |
| TOTALS | 10 298 | 11 195 | 11 540 | 15113 | 16 453 |

Provincial Breakdown of Registered and Active Security Business from 2019 to 2024



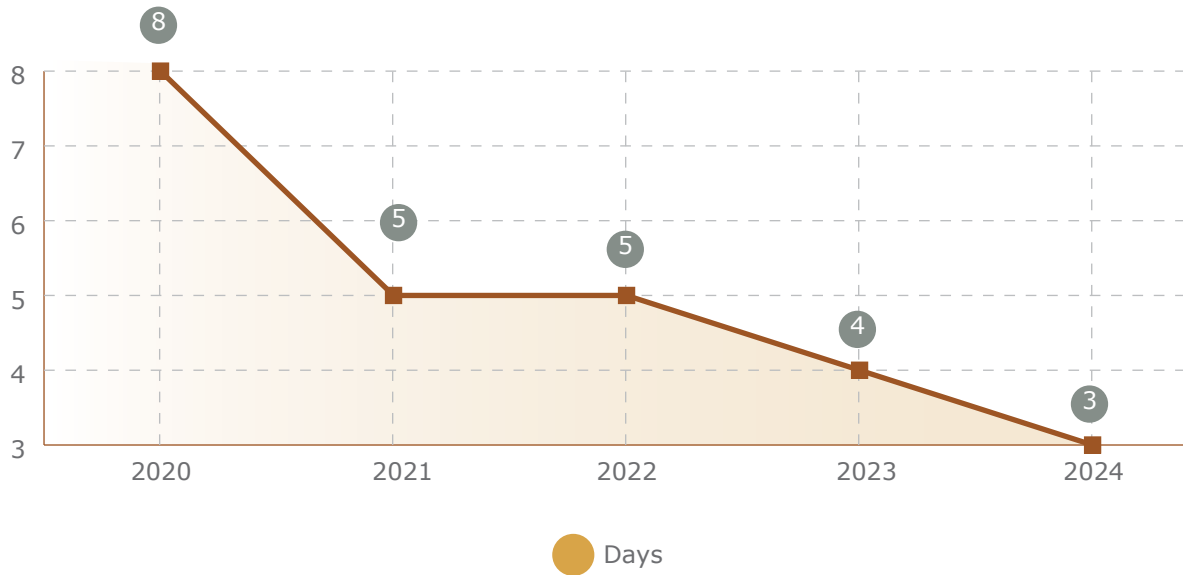
d. ePSiRA Activity – Business

| | TOTAL |
|-------------------------------------|-------|
| Applications for renewal | 3 902 |
| Number of business profiles claimed | 8 265 |



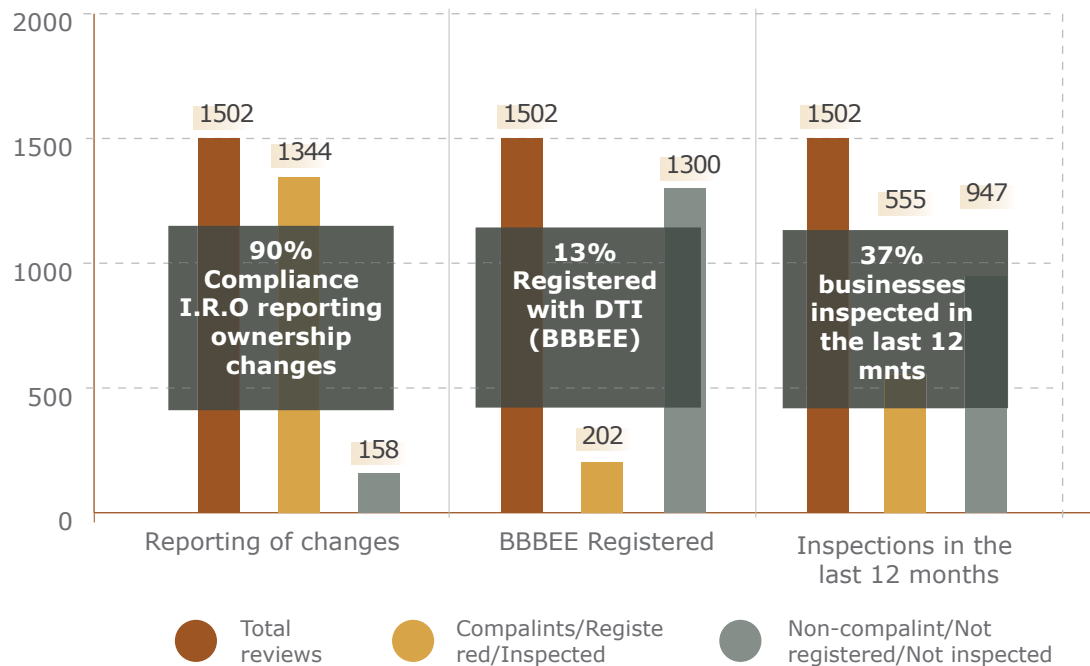
e. Turnaround time achieved for business registrations from 2020 - 2024

Turnaround time achieved to register a business application from 2020 – 2024



f. Review of Security businesses on the PSiRA database

Business Reviews: YTD

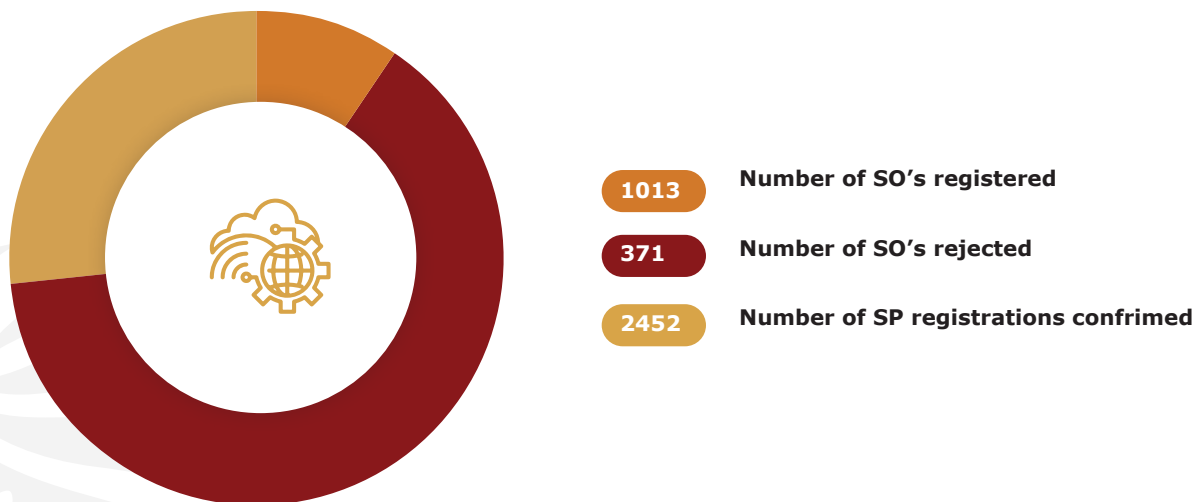


7.6 Registration Sub-Committee

One of the core functions of the Registration Sub-Committee is to consider applications for registration in terms of Section 23(6) of the Private Security Regulation Act 56 of 2001, which states that "despite the provisions of Section 23(1) and (2), the Authority may on good cause shown and on grounds not in conflict with the purpose of this Act, and the objects of the Authority, register any applicant as a security service provider."

a. Applications registered, rejected (Criminal records) and Security Business registrations confirmed by the Registration Sub-Committee

| DATE | Number of SO's registered | Number of SO's rejected | Number of Security Business registrations confirmed |
|---------------|---------------------------|-------------------------|---|
| TOTALS | 371 | 2 452 | 1 013 |



8. Law Enforcement report

A. Compliance and Enforcement departments

One of the objects of the Authority is to ensure that compliance with legislation by security service providers is promoted and controlled through a process of active monitoring and investigation of the affairs of security service providers. In order to give effect to the Authority's mandate in ensuring a well regulated private security industry, the Authority has developed and implemented a compliance and enforcement strategy which also provides for two departments namely a Compliance and Enforcement Department. This strategy includes enforcement and prosecution as well as a new focus on regulatory compliance through inspection.

Compliance

In general, compliance means conforming to a rule such as a specification, policy, standard or law. In the private security industry context, compliance describes the goals that the industry needs to aspire to ensure that both the industry and its personnel are aware of and conform to the relevant rules and regulations governing the occupation of security service provider.

The Authority’s compliance strategy is amongst others the communication of risk to the industry and to others such as the public and clients. Such information strategies involve mandatory disclosures to provide information on issues of compliance. It is hoped that by disclosing such information, the industry will undertake co-operative compliance given the disclosed risk known.

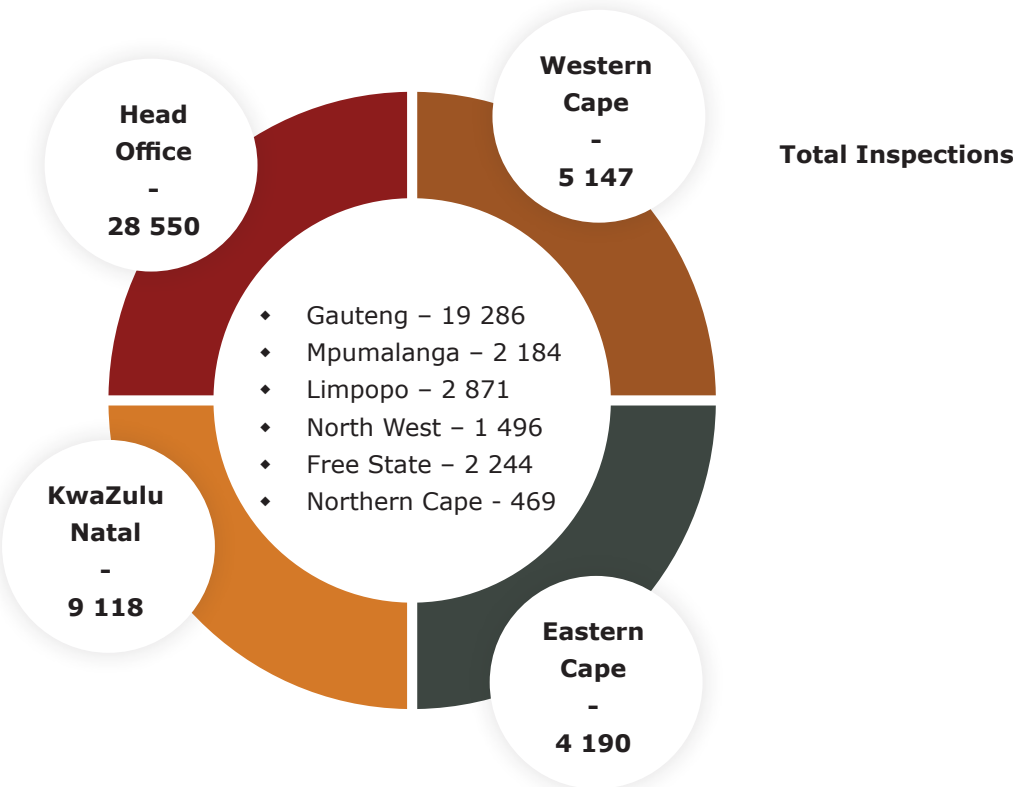
In certain scenarios, the enforcement approach may also be found to be counterproductive, especially in the case where security service providers who are motivated by a sense of social and public responsibility to comply and where providers genuinely display a law abiding nature.

Compliance inspections

In terms of the revised Law Enforcement Division’s operational policy and 2018/2019 Annual Performance Plan, each compliance inspector must conduct a minimum number of inspections per month. In certain cases the targets of individual inspectors are reduced under special circumstances i.e. special investigations, annual leave, sick leave, testifying in improper conduct enquiries, etc.

During the period 1 April 2023 to 31 March 2024, a total of **47 005** compliance inspections of security service providers were conducted or inspections as part of investigations by the Enforcement Department compared to **43 642** inspections for the same period the previous year.

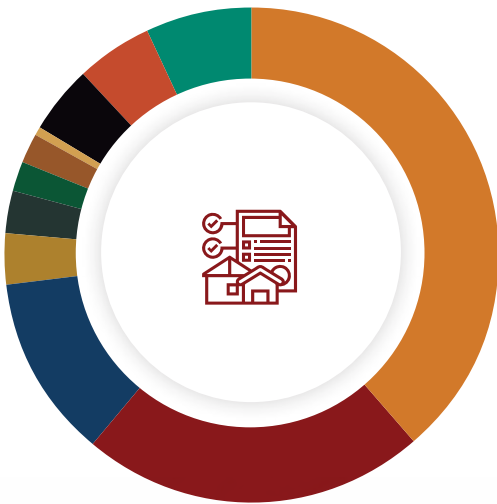
The regional breakdown was as follows:



Of the **47 005** compliance inspections conducted, **7 886** compliance inspections were conducted at security businesses compared to **7 236** inspections for the same period the previous year. This is a **8%** increase in the number of compliance inspections conducted at security businesses when compared to the same period the previous year.

The regional breakdown was as follows:

Number of business inspections

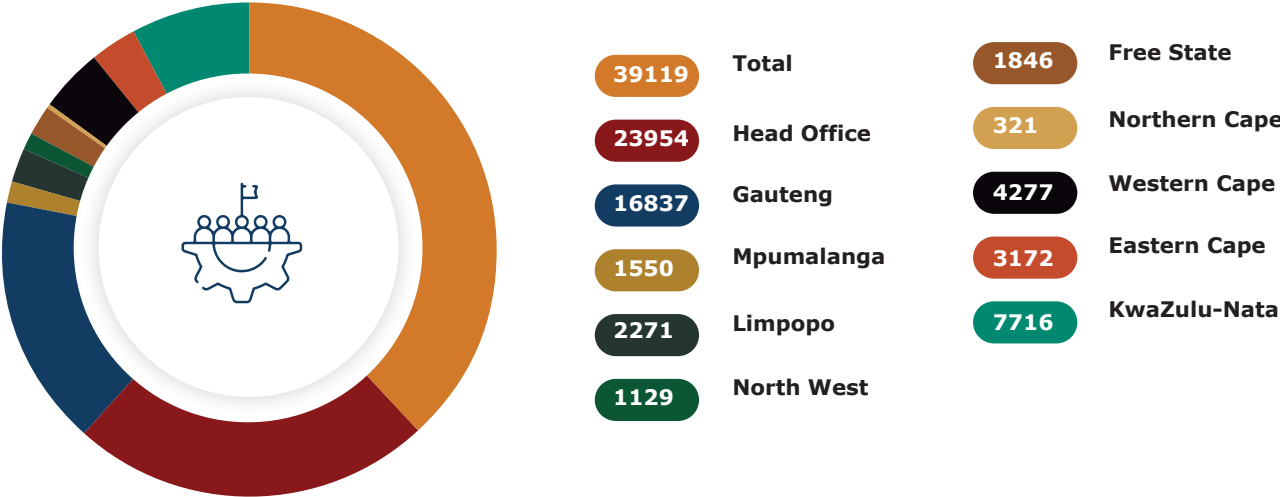


| | | | |
|-------------|--------------------|-------------|----------------------|
| 7886 | Total | 398 | Free State |
| 4596 | Head Office | 148 | Northern Cape |
| 2449 | Gauteng | 870 | Western Cape |
| 634 | Mpumalanga | 1018 | Eastern Cape |
| 600 | Limpopo | 1402 | KwaZulu-Natal |
| 367 | North West | | |

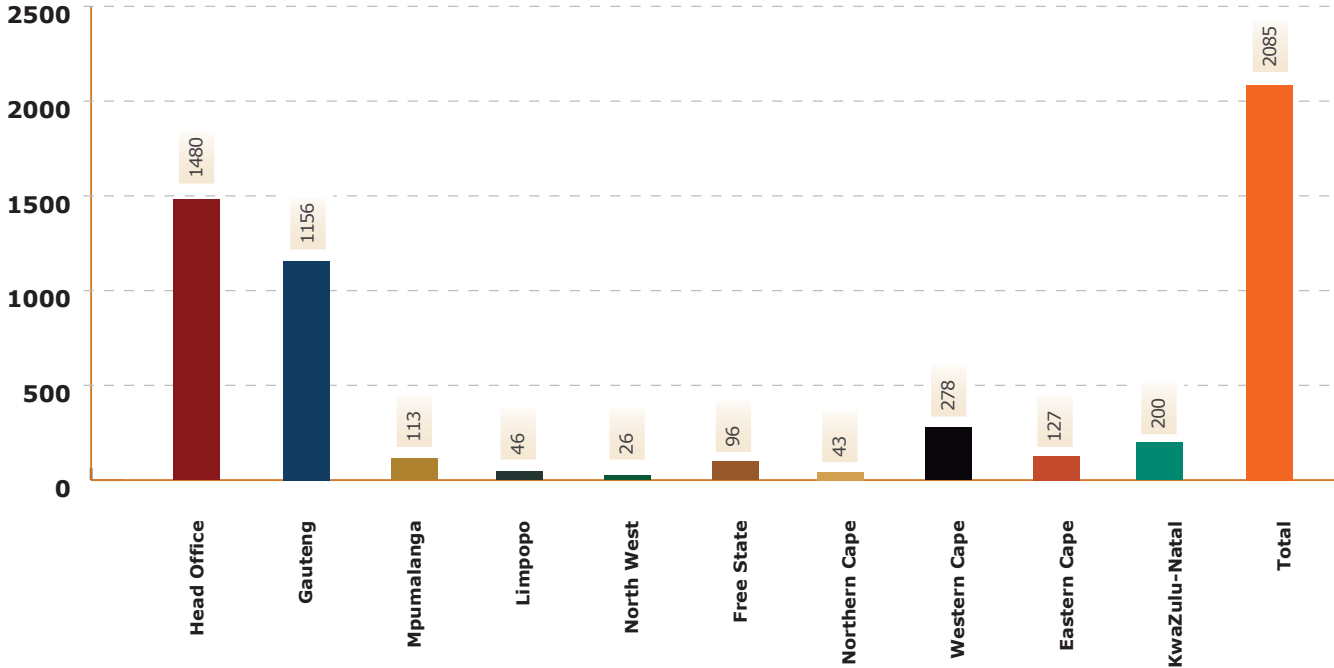
Further, of the **47 005** compliance inspections conducted, **39 119** compliance inspections were conducted at security officers deployed at different sites, compared to **36 406** inspections for the same period the previous year. This is a **7%** increase in the number of compliance inspections conducted at security officers when compared to the same period the previous year.

The regional breakdown was as follows:

Number of security officer inspections



The regional breakdown in respect of the number of in-house security officer inspections conducted from the **2 085** inspected during the period under review, was as follows:



A regional breakdown as far as the type of inspection conducted at security businesses from 1 April 2023 to 31 March 2024 is as follows:

| HEAD OFFICE | Gauteng | Mpumalanga | Limpopo | North West | Free State | Northern Cape | Total |
|--|---------|------------|---------|------------|------------|---------------|--------------|
| Total number of routine/regulatory/training/infrastructure/accreditation/inspections conducted | 2 449 | 634 | 600 | 367 | 398 | 148 | 4 596 |
| First time inspections | 416 | 126 | 72 | 44 | 49 | 22 | 729 |
| Triggered inspections | 414 | 33 | 59 | 41 | 11 | 9 | 567 |
| Infrastructure inspections | 481 | 145 | 126 | 75 | 67 | 45 | 939 |

| COASTAL REGIONAL OFFICES | Western Cape | Eastern Cape | KwaZulu-Natal | Total |
|--|--------------|--------------|---------------|--------------|
| Total number of routine/regulatory/training/infrastructure/accreditation/inspections conducted | 870 | 1 018 | 1 402 | 3 290 |
| First time inspections | 204 | 270 | 477 | 951 |
| Triggered inspections | 125 | 50 | 128 | 303 |
| Infrastructure inspections | 193 | 214 | 337 | 744 |

Note must be taken that “first time inspections” referred to 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, account administrators, etc. In terms of the Law Enforcement Division’s operational policy, priority must be given to complaints and infrastructure inspections first.

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

Statistical information pertaining to inspections conducted at large, medium and small businesses from 1 April 2023 to 31 March 2024 is as set out below. For the purpose of this statistical information, a small business is considered to be employing less 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 | 2 607 | 370 | 680 | 939 |
| Western Cape | 474 | 85 | 118 | 193 |
| Eastern Cape | 648 | 61 | 95 | 214 |
| KwaZulu-Natal | 800 | 84 | 181 | 337 |
| TOTAL | 4 529 | 600 | 1 074 | 1 683 |

With reference to all the above statistics, the overall performance pertaining to the total number of compliance inspections conducted for the period 1 April 2023 to 31 March 2024, in relation to the Authority's APP's target is **130%**. The regional breakdown is as follows:

| Region | Target | Total number of inspections conducted | Performance |
|--|---------------|---------------------------------------|-------------|
| HEAD OFFICE: Gauteng, Mpumalanga, Limpopo, North West, Free State & N. Cape | 22 553 | 28 550 | 127% |
| Western Cape | 3 889 | 5 147 | 132% |
| Eastern Cape | 3 351 | 4 190 | 125% |
| KwaZulu-Natal | 6 371 | 9 118 | 143% |

The performance pertaining to the number of compliance inspections conducted at security businesses for the period 1 April 2023 to 31 March 2024, in relation to the Authority's APP's target is **142%**. The regional breakdown is as follows:

| Region | Target | Number of inspections conducted | Performance |
|--|--------------|---------------------------------|-------------|
| HEAD OFFICE: Gauteng, Mpumalanga, Limpopo, North West, Free State & N. Cape | 2 975 | 4 596 | 154% |
| Western Cape | 697 | 870 | 125% |
| Eastern Cape | 759 | 1 018 | 134% |
| KwaZulu-Natal | 1 115 | 1 402 | 126% |

The performance pertaining to the number of compliance inspections conducted at security officers different sites for the period 1 April 2023 to 31 March 2024, in relation to the Authority's APP's target is **128%**. The regional breakdown is as follows:

| Region | Target | Number of security officer inspections conducted | Performance |
|--|---------------|--|-------------|
| HEAD OFFICE: Gauteng, Mpumalanga, Limpopo, North West, Free State & N. Cape | 19 578 | 23 954 | 122% |
| Western Cape | 3 192 | 4 277 | 134% |
| Eastern Cape | 2 592 | 3 172 | 122% |
| KwaZulu-Natal | 5 256 | 7 716 | 147% |

Statistical information pertaining to the **different categories or classes of security businesses inspected** from 1 April 2023 to 31 March 2024 is as follows:

Head Office

| | Gauteng | Mpumalanga | Limpopo | North West | Free State | Northern Cape |
|--|---------|------------|---------|------------|------------|---------------|
| Total Number of Security Business Routine / Regulatory/Training/ Infrastructure/Accreditation Inspections | 2 449 | 634 | 600 | 367 | 398 | 148 |
| Category or Class of Security Service Provider inspected | | | | | | |
| • Commercial/Industrial/ Residential/Guarding or Patrolling | 1 728 | 276 | 446 | 241 | 146 | 45 |
| • Assets in transit | 60 | 0 | 17 | 10 | 1 | 2 |
| • Close protection services | 109 | 1 | 17 | 12 | 6 | 6 |
| • Reaction or Response services and monitoring signals from security equipment (control room) | 339 | 36 | 49 | 23 | 39 | 14 |
| • Ensuring safety and order on premises (special events) | 84 | 6 | 17 | 1 | 5 | 7 |
| • Car watch or related activities | 50 | 0 | 21 | 0 | 0 | 0 |
| Providing advice on the protection of persons/ property (consultants/ advisors) | 46 | 0 | 11 | 0 | 0 | 0 |
| Installing, servicing or repairing security equipment | 320 | 56 | 62 | 38 | 37 | 13 |
| Private investigators | 129 | 19 | 38 | 15 | 2 | 0 |
| Providing security training or instruction as well as accreditation | 264 | 43 | 99 | 32 | 19 | 9 |
| Providing services of a locksmith | 76 | 17 | 37 | 2 | 2 | 2 |
| Making persons or their activities available for rendering of security service (labour brokers) | 23 | 0 | 0 | 0 | 2 | 0 |
| In-House | 80 | 10 | 12 | 7 | 6 | 0 |
| Manufacturing, importing, distributing or advertising of monitoring devices | 18 | 0 | 11 | 3 | 0 | 0 |
| Supplier / user / trainer of dogs | 80 | 8 | 7 | 9 | 7 | 0 |
| Anti-Poaching | 0 | 0 | 0 | 0 | 0 | 0 |

Western Cape/Eastern Cape/Kwazulu-Natal

| | Western Cape | Eastern Cape | KwaZulu-Natal |
|--|--------------|--------------|---------------|
| Total Number of Security Business Routine / Regulatory/Training/ Infrastructure/Accreditation Inspections | 870 | 1 018 | 1 402 |
| Category or Class of Security Service Provider inspected | | | |
| • Commercial/Industrial/Residential/Guarding or Patrolling | 458 | 553 | 996 |
| • Assets in transit | 29 | 36 | 145 |
| • Close protection services | 67 | 32 | 178 |
| • Reaction or Response services and monitoring signals from security equipment (control room) | 193 | 108 | 310 |
| • Ensuring safety and order on premises (special events) | 34 | 27 | 166 |
| • Car watch or related activities | 10 | 15 | 98 |
| Providing advice on the protection of persons/ property (consultants/advisors) | 40 | 22 | 136 |
| Installing, servicing or repairing security equipment | 198 | 153 | 261 |
| Private investigators | 53 | 41 | 150 |
| Providing security training or instruction as well as accreditation | 84 | 62 | 163 |
| Providing services of a locksmith | 29 | 28 | 100 |
| Making persons or their activities available for rendering of security service (labour brokers) | 9 | 1 | 61 |
| In-House | 21 | 30 | 66 |
| Manufacturing, importing, distributing or advertising of monitoring devices | 6 | 5 | 53 |
| Working animals | 83 | 16 | 80 |
| Anti-Poaching | 1 | 5 | 10 |

* On review of the statistical information presented above, note must be taken of the fact 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 services being inspected. It will 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 on average subjected to one inspection every 18 to 24 months.

Sector Inspections

The division has implemented targets in respect of inspections for the different sectors (segmentation) of the industry. The following inspections (excluding infrastructure inspections and accreditations) were conducted at various categories of security service provider during the period under review:

Business Inspections Sectors

* On review of the statistical information presented below, note must be taken of the fact that the below statistics excludes infrastructure inspections.

The performance pertaining to categories of security service providers inspected against the target as per the Operational Plan for the period 1 April 2023 to 31 March 2024, is as follows:

| Sector | Operational target | Head Office | Western Cape | Eastern Cape | KwaZulu-Natal | Total |
|----------------------------|--------------------|-------------|--------------|--------------|---------------|-------|
| Guarding sector | 2 064 | 2 258 | 417 | 534 | 663 | 3 872 |
| Electronic security sector | 294 | 524 | 88 | 99 | 134 | 845 |
| Private investigator | 150 | 135 | 37 | 49 | 91 | 312 |
| Training industry sector | 186 | 405 | 38 | 56 | 58 | 557 |
| Locksmith sector | 186 | 83 | 29 | 23 | 68 | 203 |
| In-house sector | 186 | 130 | 27 | 24 | 31 | 212 |
| Working animals | 88 | 117 | 40 | 15 | 18 | 190 |
| Anti-poaching | 16 | 5 | 1 | 4 | 2 | 12 |

Site Inspections / Investigations

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

Site Inspections

The performance pertaining to site inspections conducted against the target as per the Operational Plan for the period 1 April 2023 to 31 March 2024, is as follows:

| Sector | Operational target | Head Office | Western Cape | Eastern Cape | KwaZulu-Natal | Total |
|---------------------------|--------------------|-------------|--------------|--------------|---------------|--------|
| Retail & corporate sector | 4 584 | 7 520 | 1 032 | 850 | 1 892 | 11 294 |
| Health sector | 2 448 | 3 416 | 503 | 472 | 905 | 5 296 |
| Educational facilities | 2 448 | 2 356 | 463 | 256 | 518 | 3 593 |
| Industrial areas | 4 584 | 3 847 | 949 | 592 | 906 | 6 294 |
| Residential areas | 2 448 | 2 371 | 505 | 287 | 535 | 3 698 |
| Special events | 3 120 | 4 082 | 715 | 585 | 2 952 | 8 334 |
| Other | 0 | 362 | 110 | 130 | 8 | 610 |

2. Enforcement

Whilst the compliance strategy provides for general persuasive, advisory and conciliating measures, the Authority is mindful that the less frequent and less intensive inspections become, the less information the Authority may have over security service providers' compliance behavior. Under these circumstances, lenient enforcement and infrequent inspections may turn even compliant security service providers into evasive ones. Additionally, a softer regulatory approach may motivate evasive security service providers to stick to their uncooperative attitude towards compliance.

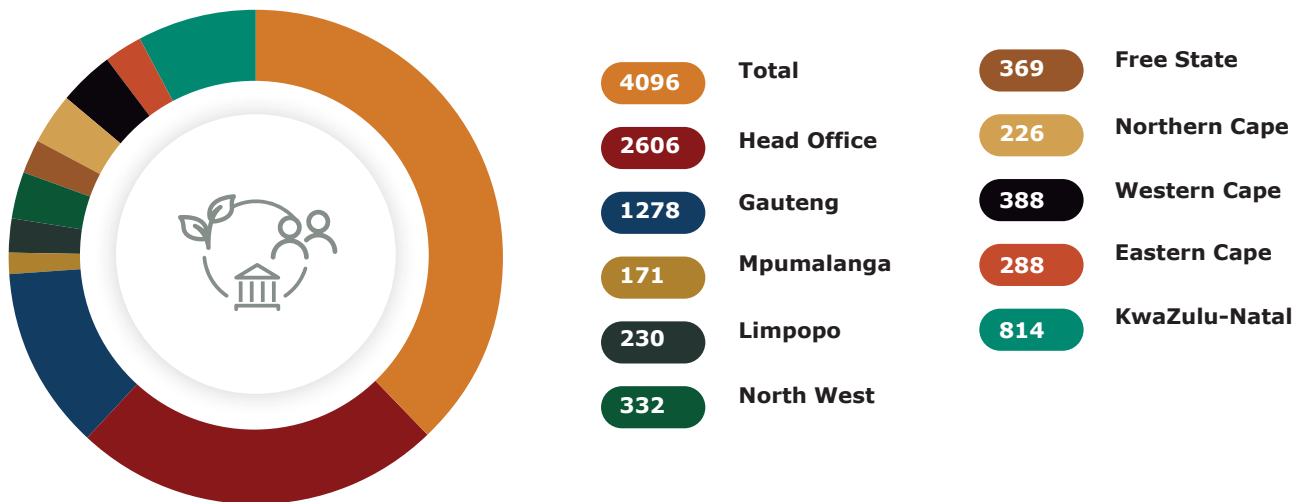
Enforcement therefore seeks to address security service providers who know that they have to comply but choose to otherwise evade compliance. The Authority enforce the law on those providers who do not comply with the Act and regulations.

In terms of the Law Enforcement Division's operational policy, all enforcement inspectors must finalise a minimum number of investigations per month. In certain cases the target of individual inspectors are reduced under special circumstances i.e. annual leave, sick leave, testifying in criminal and improper conduct cases, etc.

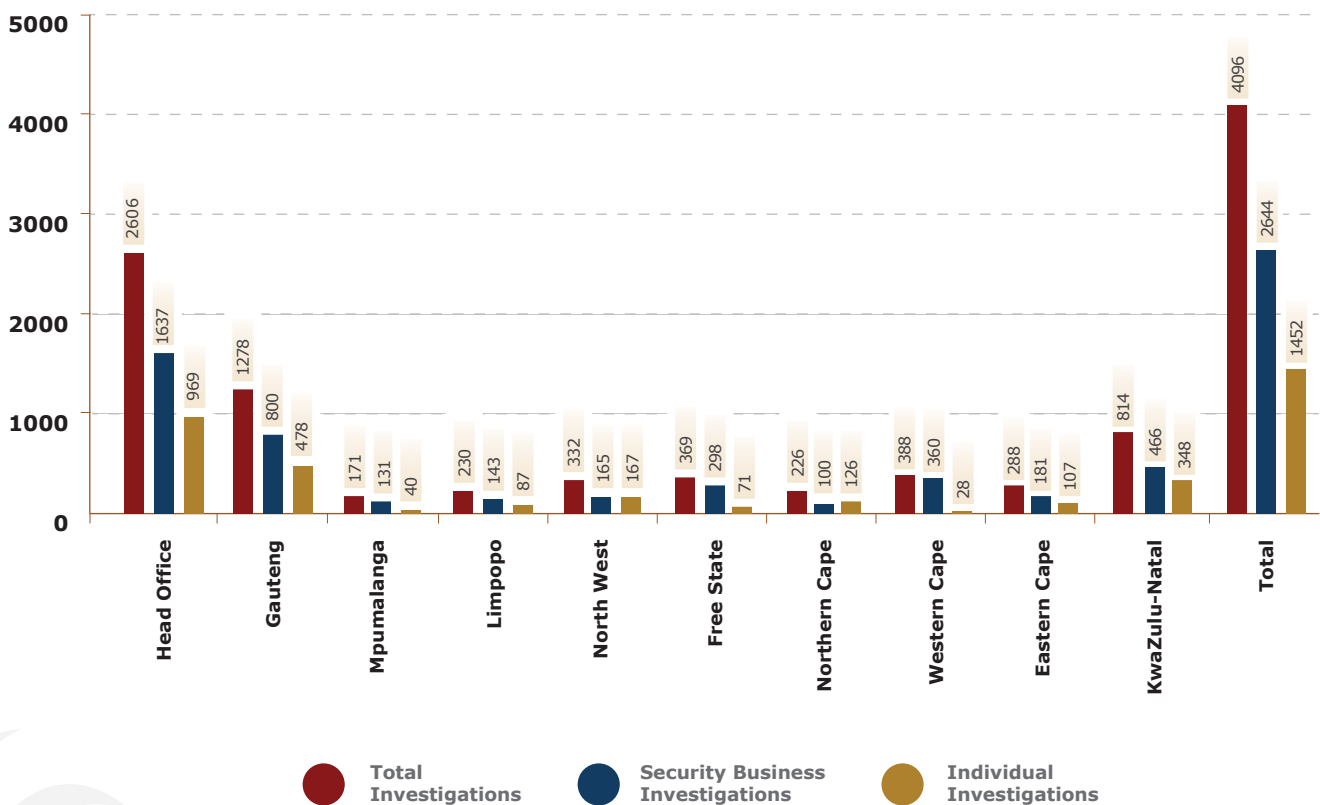
During the period 1 April 2023 to 31 March 2024, a total of **4 096** investigations were overall finalized compared to **4 250** investigations for the same period the previous year. This is a **4%** decrease in the number of investigations that were finalized when compared to the same period the previous year.

The regional breakdown is as follows:

Total number of investigations



A further regional breakdown in respect of the above investigations, are as follows:



With reference to the above statistics, the overall performance pertaining to investigations conducted for the period 1 April 2023 to 31 March 2024, based on the Operational Plan of the Enforcement Department is **120%**. The regional breakdown is as follows:

| Region | Target | Number of investigations conducted | Performance |
|--|--------------|------------------------------------|-------------|
| HEAD OFFICE: Gauteng, Mpumalanga, Limpopo, North West, Free State & N. Cape | 1 980 | 2 606 | 132% |
| Western Cape | 360 | 388 | 108% |
| Eastern Cape | 360 | 288 | 80% |
| KwaZulu-Natal | 720 | 814 | 113% |

The position in respect of investigations conducted / finalized in respect of all investigations conducted current and previous financial year matters are as follows:

| Region | Number of investigations finalised (all investigations for the period) | Number of annexure a offences investigated and found in respect of these finalised cases | Number of criminal cases opened in respect of these investigations |
|----------------------|--|--|--|
| Head Office | 2 606 | 1 195 | 1 195 |
| Western Cape | 388 | 143 | 143 |
| Eastern Cape | 288 | 127 | 127 |
| KwaZulu Natal | 814 | 446 | 446 |
| Total | 4 096 | 1 911 | 1 911 |

The position in respect of Enforcement complaints are as follows:

| Region | Number of complaints carried over by enforcement department or unit from 31 march 2023 | Number of new complaints received in April 2023 to march 2024 | Total number of complaints finalised from April 2023 to march 2024 | Number of complaints carried over to April 2024 |
|---------------|--|---|--|---|
| Head Office | 9 | 539 | 524 | 24 |
| Western Cape | 3 | 143 | 145 | 1 |
| Eastern Cape | 0 | 104 | 103 | 1 |
| KwaZulu Natal | 9 | 128 | 132 | 5 |
| Total | 21 | 914 | 904 | 31 |

Operations

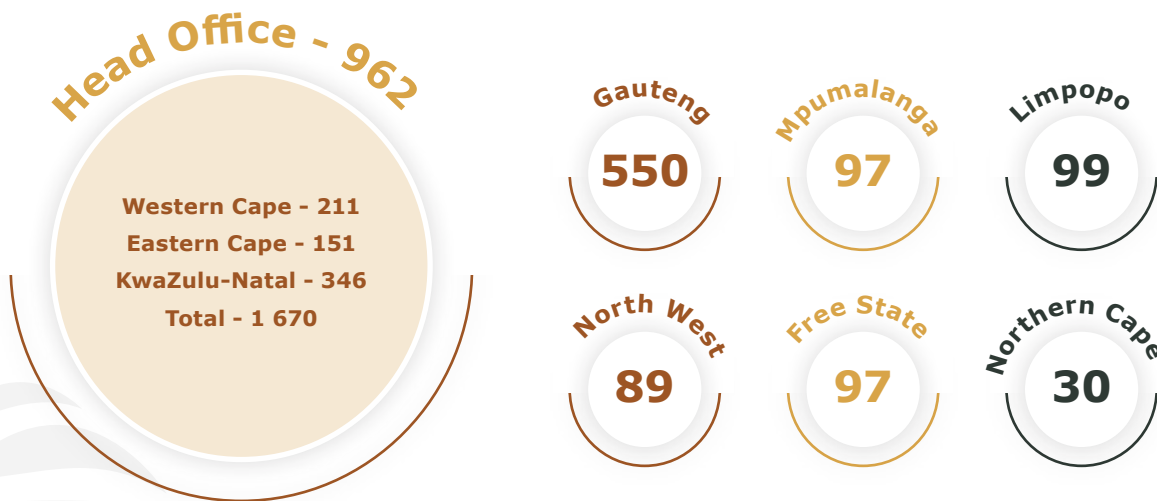
The Authority is involved in a number of operations with different stakeholders including the SAPS. These operations are at times initiated by the Authority or are attended on invitation from stakeholders such as the SAPS, Department of Home Affairs and Department of Labour. The focus is on compliance in terms of the PSiRA Act which includes the deployment of registered and trained security officers, illegal immigrants and compliance with the Firearms Control Act. During the period under review **107** operations were conducted with stakeholders compared to **106** operations the previous financial year, making this a **1%** increase from the previous year. The following operations were held:

| Region | Number of operations | Stakeholders | Number of arrests | Unregistered | Foreigners | SA Citizens | Firearms | Other |
|-----------------------|----------------------|---|-------------------|--------------|------------|-------------|------------|-----------|
| Head Office | 55 | SAPS/DHA /DOH/Traffic/ Disaster/Fire Dept /DHA/SARS/ SANDF/DOL | 603 | 540 | 330 | 273 | 103 | 10 |
| - Gauteng | 27 | SAPS/DHA/DOL/ SARS/SANDF | 267 | 222 | 181 | 86 | 74 | 6 |
| - Mpumalanga | 5 | SAPS | 18 | 18 | 9 | 9 | 0 | 2 |
| - Limpopo | 8 | SAPS | 100 | 100 | 43 | 57 | 29 | 2 |
| - North West Province | 3 | SAPS/DOH/ Traffic/ Disaster/ Fire Dept | 92 | 76 | 31 | 61 | 0 | 0 |
| - Free State | 9 | SAPS/DHA - | 39 | 37 | 5 | 34 | 0 | 0 |
| - Northern Cape | 3 | SAPS | 87 | 87 | 61 | 26 | 0 | 0 |
| Western Cape | 15 | WC (Aim Protection Services)/ Flash | 33 | 25 | 14 | 19 | 0 | 0 |
| Eastern Cape | 15 | SAPS/NMB Metro/Traffic Police & Animal Anti-Cruelty League | 98 | 78 | 21 | 77 | 2 | 3 |
| KwaZulu-Natal | 22 | SAPS/DHA/DUT | 172 | 144 | 22 | 150 | 1 | 1 |
| TOTAL | 107 | SAPS/ DHA/ WC (Aim Protection Services)/ Flash/DOH/ Traffic Dept/ Disaster/Fire Dept/Metro Police/Animal Anti-Cruelty League | 906 | 787 | 387 | 519 | 106 | 14 |

The Department is participating in the launch of Operation Shanela and conducts operations with all the NATJOINTS Stakeholders. In addition, inspectors were deployed at a number of stadiums over weekends and after hours to verify compliance of security officers deployed at the stadiums.

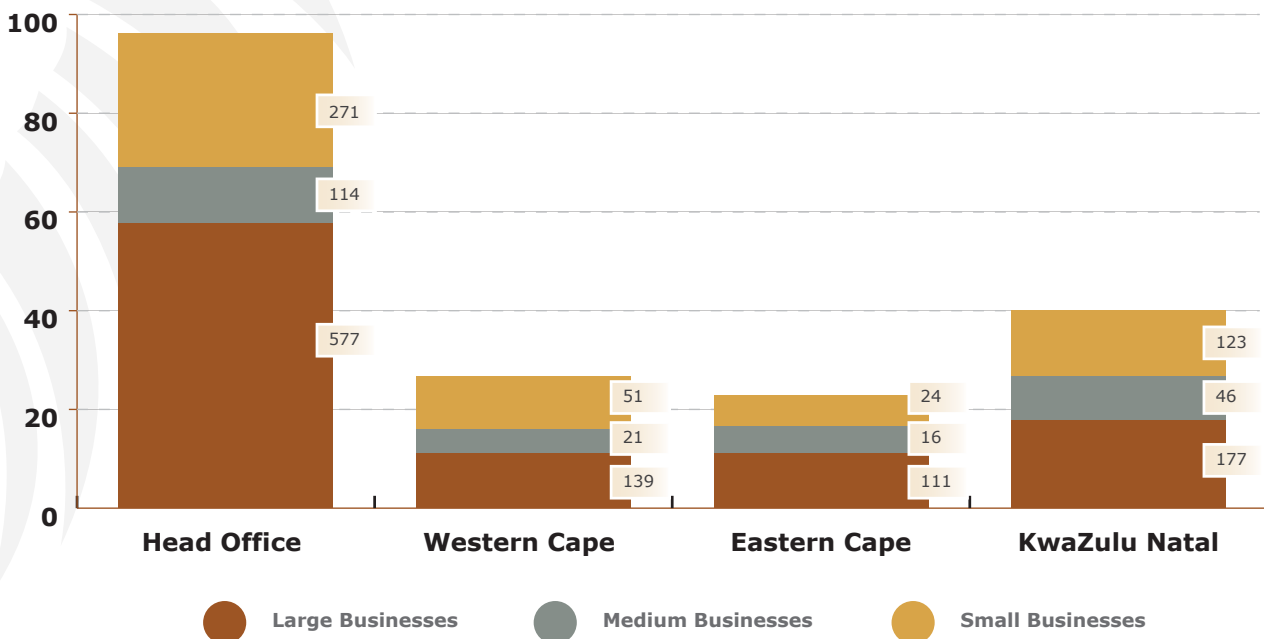
Improper conduct investigations

During the period 1 April 2023 to 31 March 2024, a total of **1 670** improper conduct docket against security businesses were compiled compared to 1 680 dockets for the same period last year. This is a 1% decrease in the number of improper code of conduct dockets opened when compared to the same period the previous year. This is due to the establishment of the National Bargaining Council for the Private Security Sector (NBCPSS) as well as the vacancies. The regional breakdown for the period under review is as follows:



A further regional breakdown as far as Code of Conduct dockets against, large, medium and small businesses from 1 April 2023 to 31 March 2024 are concerned, is as follows:

Number of dockets

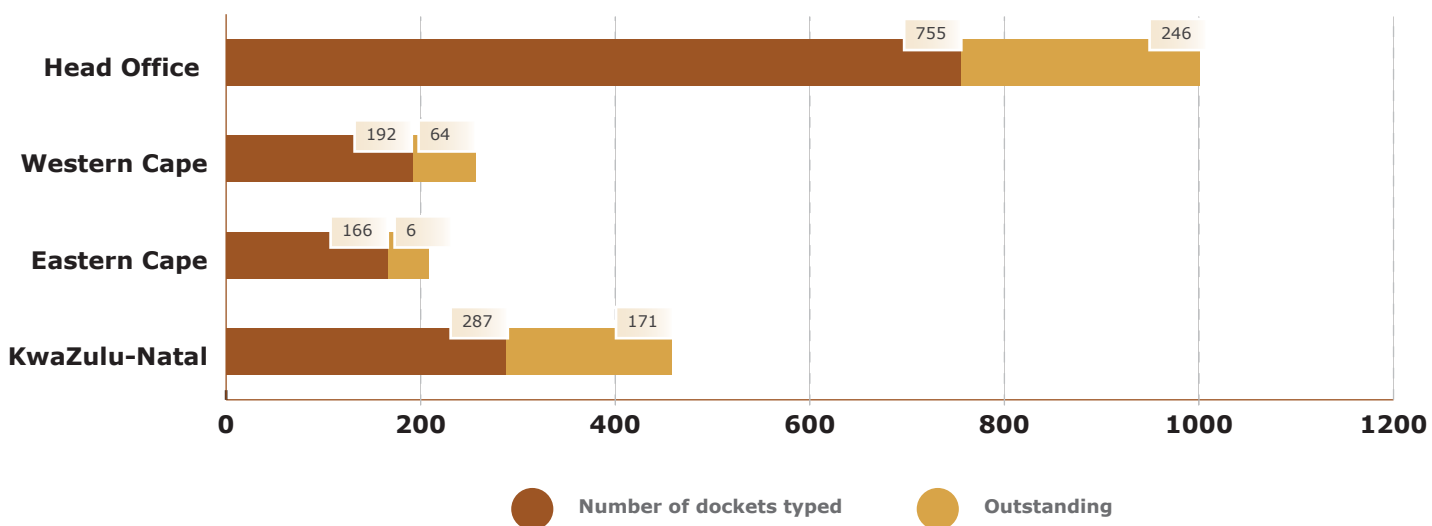


Performance pertaining to the number of Code of Conduct docket opened during the period under review is **155%** compared to the operational target set. The regional breakdown is as follows:

The following number of Improper Conduct dockets was typed from 1 April 2023 to 31 March 2024 by the Law Enforcement Division:

| Region | Target | Number of code of conduct dockets opened | Performance |
|--|------------|--|-------------|
| HEAD OFFICE: Gauteng, Mpumalanga, Limpopo, North West, Free State & N. Cape | 612 | 962 | 157% |
| Western Cape | 126 | 211 | 167% |
| Eastern Cape | 111 | 151 | 136% |
| KwaZulu-Natal | 225 | 346 | 154% |

Typed Dockets



A case list and progress report is kept in respect of all docket opened and registered by the Law Enforcement Division. All progress in respect of the docket is captured on the progress report, from the original docket to the finalization and outcome thereof.

1.3 Criminal investigations

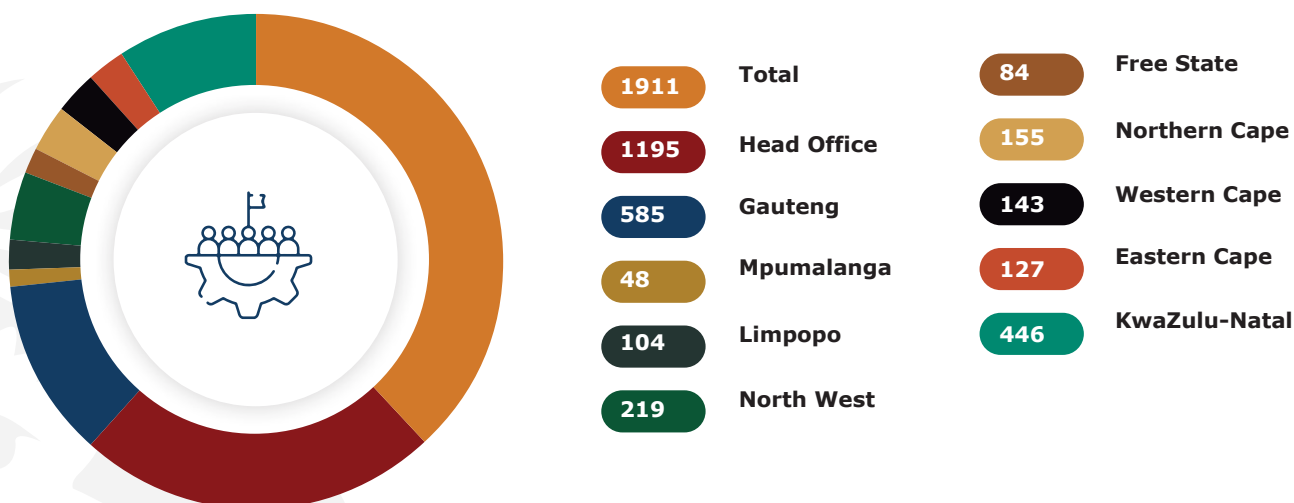
Regulatory inspections are also conducted to investigate and detect unregistered security service providers as well as other criminal contraventions of the Act for the purposes of opening criminal cases against them with the South African Police Service.

As at 31 March 2024, a total of **5 753** outstanding criminal cases were pending with the South African Police Service, compared to **4 745** cases in March 2023.

During the period 1 April 2023 to 31 March 2024, a total of **1 911** criminal cases were opened by inspectors of the Authority compared to **1 641** cases opened the previous financial year. This is a **14%** increase in the number of criminal cases that were opened with the SAPS against non-compliant security service providers.

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

Criminal cases opened



Performance pertaining to the number of criminal cases opened during the period under review is **228%** compared to the operational target set. The regional breakdown is as follows:

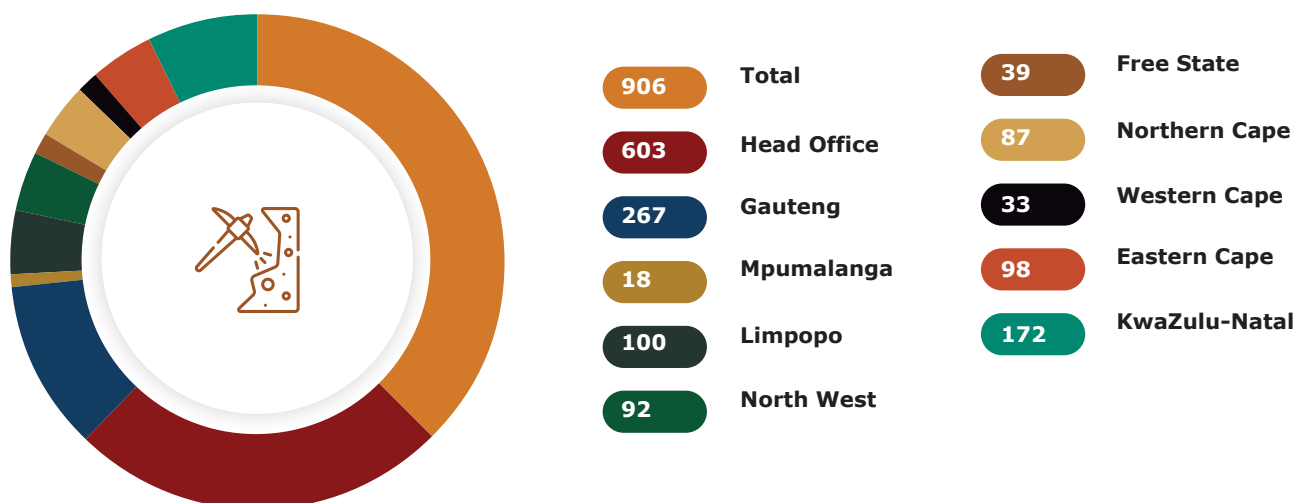
| Region | Target | Number of criminal cases opened | Performance |
|--|------------|---------------------------------|-------------|
| HEAD OFFICE: Gauteng, Mpumalanga, Limpopo, North West, Free State & N. Cape | 477 | 1 195 | 251% |
| Western Cape | 90 | 143 | 159% |
| Eastern Cape | 90 | 127 | 141% |
| KwaZulu-Natal | 180 | 446 | 248% |

During the period under review, **909** criminal cases were finalized by the National Prosecuting Authority (NPA), compared to **865** cases the previous financial year. This is a **5%** increase in the number of criminal cases that were finalized by the (NPA) when compared to the same period the previous year. The regional breakdown is as follows:

| Region | Successfully finalised | Unsuccessfully finalised | Total |
|-----------------------|------------------------|--------------------------|------------|
| Head Office | 791 | 0 | 791 |
| ♦ Gauteng | 447 | 0 | 447 |
| ♦ Mpumalanga | 27 | 0 | 27 |
| ♦ Limpopo | 102 | 0 | 102 |
| ♦ North West Province | 138 | 0 | 138 |
| ♦ Free State | 64 | 0 | 64 |
| ♦ Northern Cape | 13 | 0 | 13 |
| Western Cape | 0 | 2 | 2 |
| Eastern Cape | 3 | 0 | 3 |
| KwaZulu-Natal | 113 | 0 | 113 |
| TOTAL | 907 | 2 | 909 |

There is a close working relationship between the Authority and the SAPS who assist the Authority in investigations where arrests are to be made. The SAPS also plays an important role in the site inspection operations. Additionally, the Authority conducts Law Enforcement operations and assists in general SAPS operations on a national level.

During the period under review, **906** arrests were made compared to **1 056** arrests during the previous financial year. This is a **6%** decrease in the number of arrests made by the Law Enforcement division when compared to the same period the previous year. The following number of arrests was made:

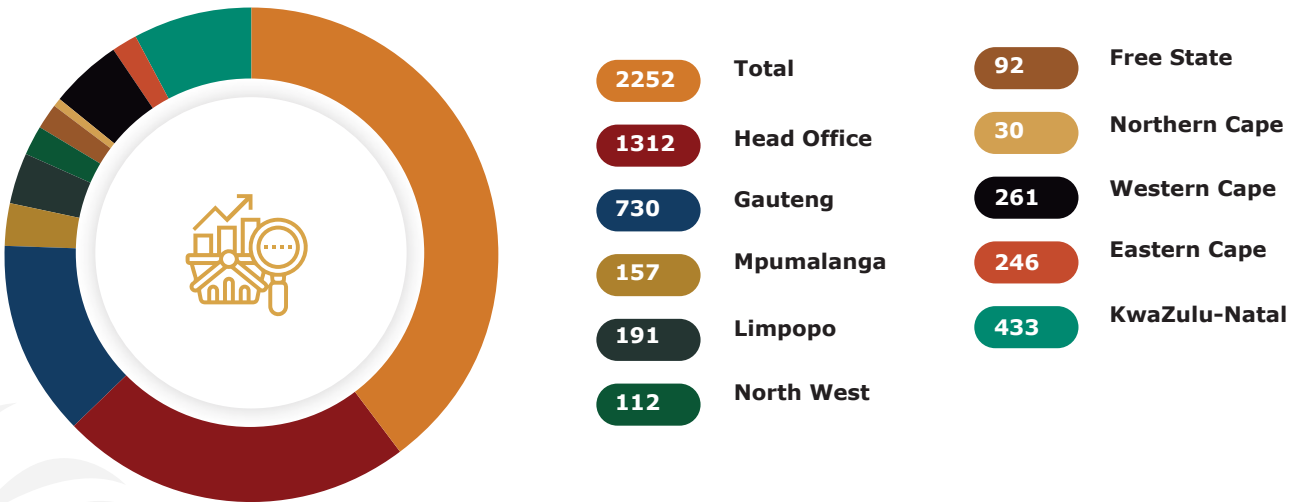


An agreement was signed by the Director of PSiRA and Acting National Commissioner of the SAPS during April 2016. The agreement provided for the establishment of a National Consultative Forum.

1.4 Firearms

1.4.1 Firearm Inspections

The Authority launched a firearm inspection programme as part of its Annual Performance Plan. The regional number of firearm inspections conducted during the period 1 April 2023 to 31 March 2024 is as follows:



With reference to all the above statistics, the overall performance pertaining to the total number of firearm inspections conducted for the period 1 April 2023 to 31 March 2024, based on the Authority's APP targets is **161%**. The regional breakdown is as follows:

| Region | Target | Number of firearm inspections conducted | Performance |
|--|------------|---|-------------|
| HEAD OFFICE: Gauteng, Mpumalanga, Limpopo, North West, Free State & N. Cape | 766 | 1 312 | 171% |
| Western Cape | 188 | 261 | 139% |
| Eastern Cape | 188 | 246 | 131% |
| KwaZulu-Natal | 260 | 433 | 166% |

During the period 1 April 2023 to 31 March 2024, a total of **2 252** firearm inspections were conducted compared to **2 285** firearm inspections for the same period the previous year. This is a **1%** decrease in the number of firearm inspections that were conducted with security service providers when compared to the same period the previous year.

1.4.2. Firearm regulatory sub-committee

The Director of the Authority established a Firearm Regulatory Sub-Committee in order to improve firearm control in the private security industry. The Firearm Regulatory Sub-Committee is responsible to perform the following function in terms of its terms of reference:

- a. The Firearm Regulatory Committee serves to uphold the objects of the Authority in promoting a legitimate private security industry as particularly related to firearm control.
- b. To facilitate the establishment and implementation of effective internal systems to enhance assistance in the control of firearms in the industry. This includes, but are not limited, to –
 - i. The enhancement of the security service provider's database to include details of all security businesses licensed for firearms;
 - ii. Regular updating of the security business database in respect of applications for licenses granted / withdrawn by the Office of the Central Firearm Register of the SAPS; and
 - iii. Submitting regular reports on licensed businesses to the Central Firearm Register in respect of changes i.e. registration status, number of security officers employed, address changes, etc.
- c. To facilitate the establishment of a Standing Committee between the Authority and the Office of the Central Firearm Register of the South African Police Service in order to –
 - i. Guide and co-ordinate the decisions and actions of the Authority and the Central Firearm Register in the performance of their respective regulatory functions;
 - ii. Facilitate the establishment of a mechanism to standardise the control of firearms in the private security industry as well as the types of firearms used in the industry;
 - iii. Establish the minimum requirements needed for the issuing of licenses and guidelines for the withdrawal of licenses;
 - iv. Oversee co-operation and co-ordination between the Authority and SAPS in respect of Law Enforcement operations;
 - v. Facilitate and improve communication and liaison between the Office of the Central Firearm Register and the Authority; and
 - vi. Generally share information from each other's databases in respect of security service providers and licensed institutions.
- d. Facilitate the training of inspectors to enhance proper firearm control. This includes competency in the use of firearms and verification of ammunition.

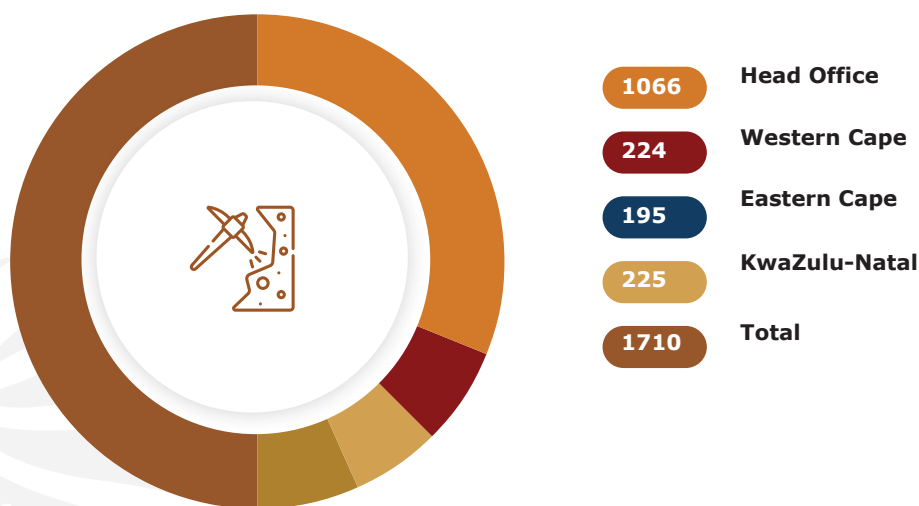
During the period under review, the Firearm Regulatory Sub-Committee held **2** meetings. Engagements were held with the Central Firearm Registry in terms of coordinating regulatory functions.

1.5 Charge sheets, summonses and regulation 3(4) notices issued

During the period 1 April 2023 to 31 March 2024, **1 710** Regulation 3(4) Notices in respect of **improper conduct cases** were prepared by the Authority compared to **1 336** Regulation 3 (4) Notices 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 a result of various 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 :



1.6 Annual fees and fines collected

During the period 1 April 2023 to 31 March 2024, a total of **R759 233,00** annual fees and **R20 271,00** fines were collected by inspectors of the Authority compared to **R2 325 054, 00** annual fees and **R169 310, 00** in fines collected the previous year.

1.7 Untraceable security service providers

Following the issuing of charge sheets, summonses and Regulation 3(4) Notices from 1 April 2023 to 31 March 2024, **21** security service providers could not be traced by Inspectors of the Authority while **11** were failed inspections. Steps taken to trace these security service providers include, inter alia, the following:

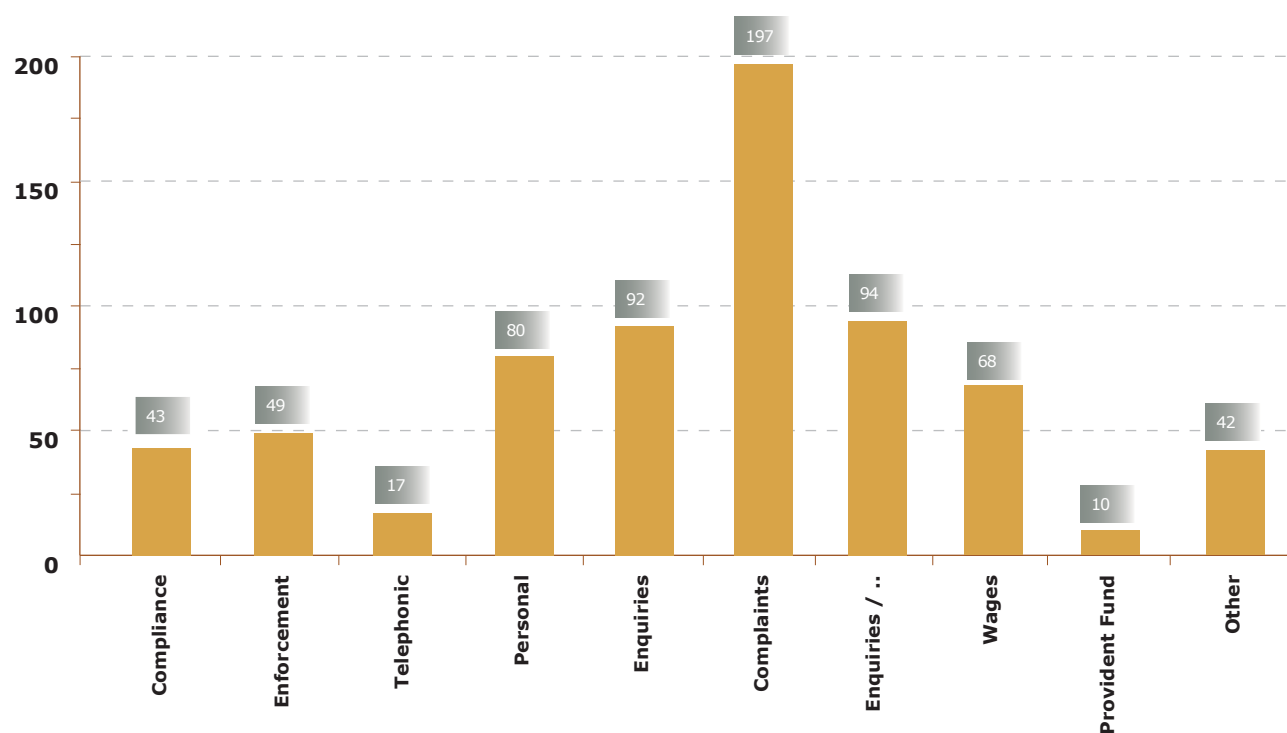
- ♦ Visits to known addresses of the businesses as well as that of the owners / directors / members, etc.
- ♦ Enquiries at neighboring businesses.
- ♦ Calling all phone numbers available on the Authority's database.

Action is taken against these untraceable providers for their failure to meet the infrastructure and capacity requirements.

1.8 Complaints and Helpdesk

The Authority has a full-time Complaints and Helpdesk at our Arcadia in Gauteng, Kwazulu-Natal and Western Cape offices. The purpose of these offices 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 during 1 April 2023 to 31 March 2024 is as follows:

Number of enquiries / complaints



The Complaints and Help Desk Assistant in Western Cape has been deployed as a receptionist until this vacant position is filled.

1.9 Regulatory Sub - Committee

The Director of the Authority established a Regulatory Sub-Committee which is a Sub Committee of the Executive Committee. The Regulatory Sub-Committee is responsible to perform the following functions in terms of its terms of reference and delegation:

- The suspension of the registration of security service providers;
- The upliftment of the suspension of registration of security service providers;
- The withdrawal of the registration of security service providers;
- The confirmation, review and substitution of the findings, penalties and other orders at improper conduct enquiries as well as putting suspended penalties at such enquiries into operation;

- e. The conviction of and the imposition of a penalty on a security service provider who has indicated to the Director their intention to plead guilty to a charge of improper conduct, or has indicated that they will not oppose a suspended penalty;
- f. The application for a court order in respect of a security service provider as contemplated in section 27 of the Act; and
- g. The withdrawal of accreditation certificates of security service providers providing security training.

During the period under review, **31** Regulatory Sub-Committee meetings were held and the following decisions taken:

| Business registration | | | | | | | Individual registration | | | Number of improper conduct confirmations of convictions sentences | | | |
|--------------------------|-------------------------|--|------------------------|----------------------|---------------------------|------------------------|-------------------------|--|-------------------------|---|----|----|-----|
| Withdrawal (Annual Fees) | Withdrawals (Voluntary) | Withdrawals at Code of Conduct Enquiries | Upliftment: Suspension | Withdrawals (REG.5.) | Suspensions (Annual Fees) | Suspension (Voluntary) | Withdrawals | Withdrawals at Code of Conduct Enquiries | Registrations Suspended | H/O | EC | WC | KZN |
| 282 | 60 | 4 | 48 | 4 | 851 | 0 | 15 | 3 | 46 | 68 | 29 | 63 | 81 |

| Improper conduct settlement | | | |
|-----------------------------|----|-----|-----|
| H/O | EC | WC | KZN |
| 479 | 85 | 179 | 212 |

Please note that the number of Improper Conduct confirmations above refers to those convictions and sentences imposed by Presiding Officers and referred to the Sub-Committee for confirmation and it does not include all Improper Conduct cases finalized through settlements and other.

1.10 Stakeholder interaction

During the period under review, a number of meetings were attended throughout the country with the SAPS, other Law Enforcement Agencies, as well as Consumers of Security Services including Stadium Management, Business Forums and State Departments and other stakeholders. The purpose of the engagement meetings were to discuss collaboration between PSiRA, SAPS (other Law Enforcement Agencies) and security service providers in combating crime, conducting the joint operations between the parties to enforce compliance of applicable legislation within the private security industry. The meetings also offered the platform to educate consumers of private security of their rights and obligations to providers of security service.

The stakeholder activities highlighted above took place in all provinces of the country includes, *inter alia*, the following:

- ♦ NPA Johannesburg Community Project;
- ♦ Dept of Agriculture, Land Reform and Rural Development;
- ♦ Gauteng PICF;
- ♦ SAPS Community Policing Indaba;

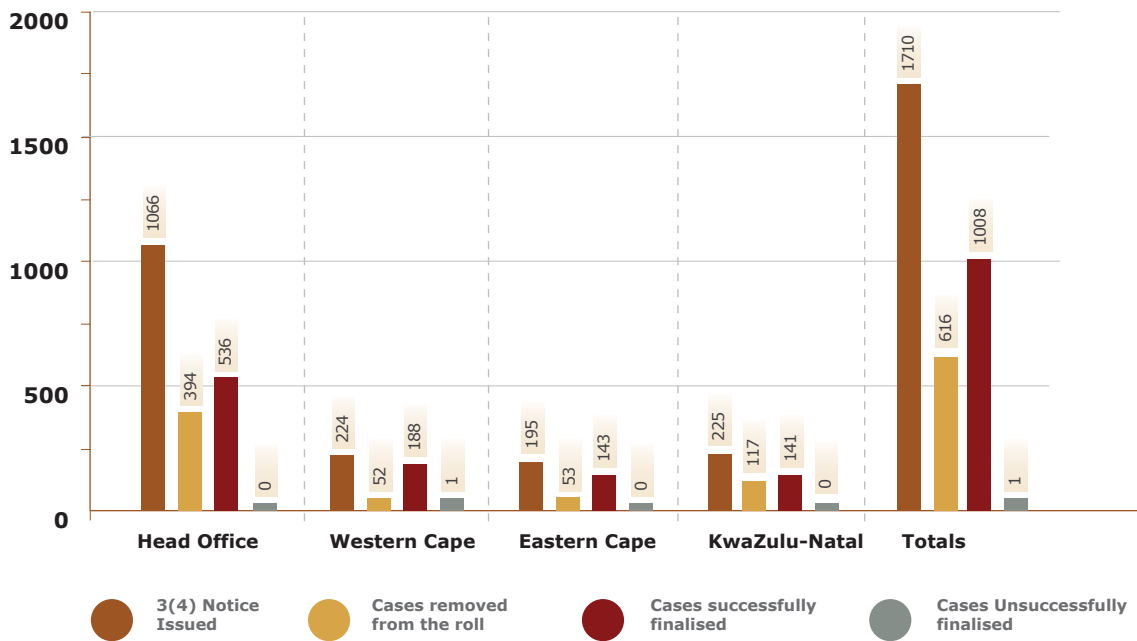
- ♦ Hosting the TUT learners;
- ♦ Gauteng Business Briefing;
- ♦ Meeting between SIU and Hlanganani Security;
- ♦ Gauteng PICF;
- ♦ NCF Meeting (SAPS/PSIRA);
- ♦ Consumer Awareness Workshop (Gauteng, Limpopo and Mpumalanga);
- ♦ Twitter Webinar; and
- ♦ Consumer Awareness Workshop (State Owned Entities);
- ♦ Natjoc Meeting (2024 Elections);
- ♦ Tapsosa;
- ♦ SSA (Request for Info);
- ♦ ICAS (Trauma & Mental Illness);
- ♦ PICF – Limpopo
- ♦ PICF – EC
- ♦ PICF – KZN
- ♦ SAPS Crime Intelligence (Col. Khoza)
- ♦ SAPS Thatha Zonke Investigation (Capt. Dhlamini)
- ♦ PICF – WC
- ♦ TUT Induction Meeting Students
- ♦ PICF – Gauteng
- ♦ Natjoc Meeting (2024 Elections);
- ♦ Tapsosa;
- ♦ SSA (Request for Info); and
- ♦ ICAS (Trauma & Mental Illness);
- ♦ National Consultative Forum Meeting (SAPS vs. PSIRA);
- ♦ Senior Inspectors Meeting (Intervention);
- ♦ Internal Auditors Meeting (Management Feedback);
- ♦ Communications (Take a Boy Child to Work);
- ♦ NatJoc Meeting (Elections 2024);
- ♦ NATJOC (SAPS) – Elections ;
- ♦ Transnet (Explanation of Security Structures);
- ♦ Gauteng PICF;
- ♦ PSIRA / SAPS – NCF Technical Committee (Firearms);
- ♦ NATJOC (SAPS) – Elections (Voter’s registration weekend);
- ♦ E/Cape PICF;
- ♦ Limpopo PICF;
- ♦ E2 Meeting (SAPS / Business against crime);
- ♦ NATJOC (SAPS) – Elections ;
- ♦ Operation Dudula Meeting;
- ♦ Western Cape PICF;
- ♦ NATJOC Meetings (2024 Elections; planning of operations);
- ♦ PROVJOC Meetings (2024 Elections);
- ♦ NATJOINTS;
- ♦ Couter Terrorism engagements (Logtra);
- ♦ National Bargaining Council;
- ♦ E2 Project – Eyes and Ears – National Steering Committee;
- ♦ PICF;
- ♦ SAPS – planning of various operations as well as awareness;
- ♦ NCF;
- ♦ CFR;
- ♦ ESKOM;
- ♦ National Key Points & Strategic Installation – SAPS;
- ♦ JCPS;
- ♦ EC Treasury SCM Forum; and
- ♦ Department of Home Affairs - (Immigrations) regarding the deployment of foreign nationals.

B. Legal services division

1. Prosecution 2023-2024

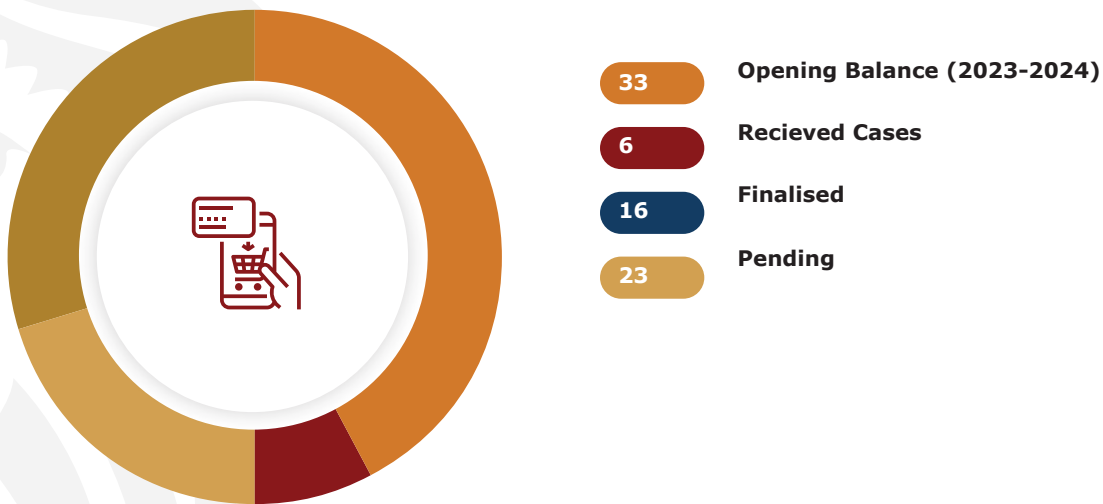
- 1.1. A total of **1710** cases were issued with summonses, **1009** were successfully placed on the roll for adjudication.
- 1.2. **616** cases were removed from the roll, were mostly those that were either postponed or written off.
- 1.3. A total of **1008** successfully finalised by way of settlement or Code of Conduct hearings.
- 1.4. **1** Case was unsuccessfully finalised

Prosecution 2023 - 2024



2. Litigation 2023- 2024

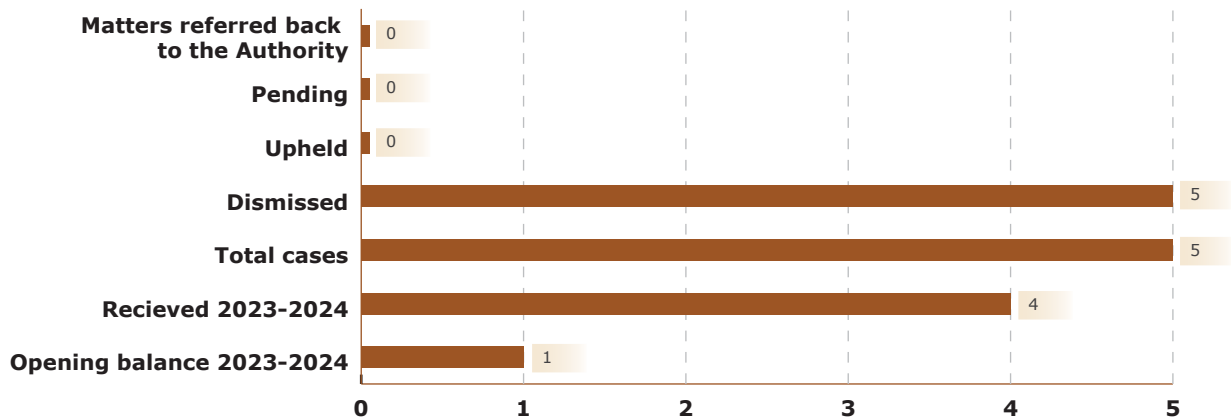
A total of 39 cases were handled by Legal Services.



3. Appeals & Exemptions 2023-2024

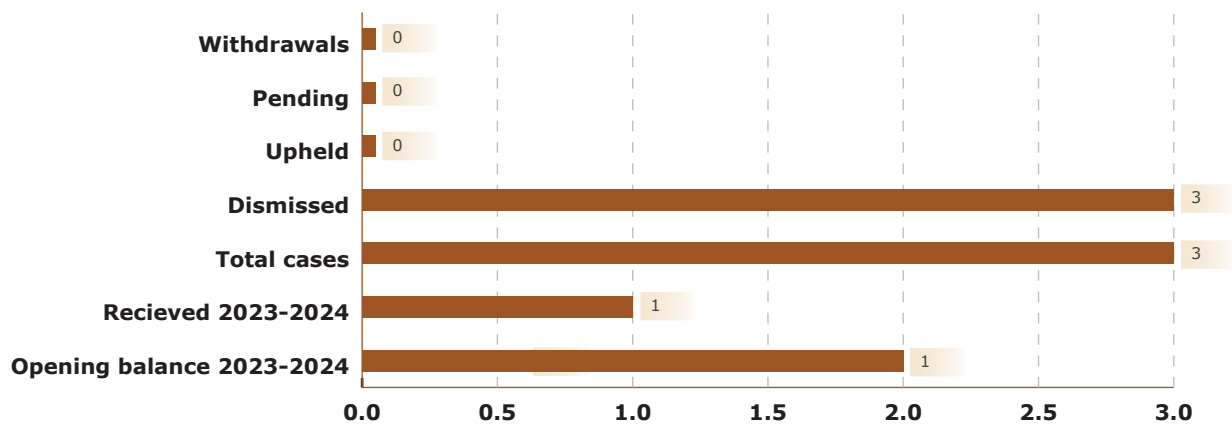
3.1 APPEALS AGAINST THE AUTHORITY'S REFUSAL TO REGISTER AS A SECURITY SERVICE PROVIDER AND WITHDRAWAL BY THE AUTHORITY OF REGISTRATION DUE TO A CONVICTION OF A SCHEDULED OFFENCE.

Individuals Appeals



3.2 APPEALS AGAINST CONVICTION & / OR SENTENCE FOLLOWING THE FINALISATION OF IMPROPER CONDUCT ENQUIRIES CONVENED IN-TERMS OF THE ACT.

Business Appeals



3.3 APPEALS AGAINST THE AUTHORITY'S REFUSAL TO REGISTER AS A SECURITY SERVICE PROVIDER DUE TO NON- SOUTH AFRICAN RESIDENCE

No files received for the reporting period

3.4 Applications for exemptions

No files received for the reporting period

C. Industry Training

1. Industry Training Unit

The Authority seeks to promote high standards in the training of security service providers and prospective security service providers. To do this effectively, the Authority has determined strategic objectives to ensure fulfilment and support of the mandate as contemplated in Section 4(k) (i)-(vi) of the Private Security Act, No.56 of 2001.

1.1 Accreditation of Persons and Institutions providing Security Training

The key functions of the Authority in respect to industry training is to ensure that persons performing the functions of industry training are accredited and this includes all security training instructors and training security service providers providing security training.

1.2 Accreditation of Instructors

During the year under review, the training instructor accreditation application time frame fell within an average of three (3) days, as opposed to 7 days. The E-PSiRA online system has improved turnaround time and efficiency. A total number of 580 instructors were accredited in varying categories:

| | 2021/22 FY | 2022/23 FY | 2023/24FY |
|--|------------|------------|------------|
| Category 1: Instructor First Applications | 105 | 57 | 151 |
| Category 2: Instructor Upgrade Applications | 159 | 191 | 323 |
| Category 3: Instructor Facilitator/RPL Applications | 62 | 31 | 106 |
| Total | 326 | 279 | 580 |

1.3 Accreditation of Security Service Providers

During the 2023/2024 financial year, the accreditation process of security service providers was fully automated. A total of one hundred and ninety-five (195) security training provider applications were processed as compared to one hundred and thirty-one (131) of the previous year. The increase is attributed to online system training and workshops conducted.

| Province | Number of Security Training Centres | | |
|---------------|-------------------------------------|------------|------------|
| | 2021/22 | 2022/23 | 2023/24 |
| Eastern Cape | 14 | 7 | 20 |
| Free State | 6 | 7 | 9 |
| North-West | 7 | 8 | 15 |
| Limpopo | 33 | 33 | 32 |
| Mpumalanga | 15 | 13 | 14 |
| KwaZulu Natal | 21 | 24 | 25 |
| Western Cape | 9 | 10 | 10 |
| Northern Cape | 2 | 0 | 5 |
| Gauteng | 67 | 29 | 65 |
| Total | 174 | 131 | 195 |

1.4 Accreditation of Persons Providing Security (RPL-other)

A total of Forty-Nine (49) RPL applications were received in the financial year, Forty-Eight (48) of those were approved and one (1) was rejected by the Training Sub-Committee.

| Occupational Level | Number of Applications Approved |
|-------------------------------|---------------------------------|
| Private Investigator | 20 |
| Management | 16 |
| Locksmith | 8 |
| Technician | 2 |
| Close Protection | 2 |
| Rejected/ Not recommended | 1 |
| Total RPL Applications | 49 |

1.5 Course reports

The introduction of E-PSiRA online course report submissions has significantly reduced the turnaround time for processing reports when compared to paper-based submissions. This resulted in an increase in course reports received and processed during the financial year.

The total number of course reports processed during the 2023/24 financial year is (952 168). The number is slightly higher compared to the (662 639) course reports processed during the 2022/23 financial year.

There is also a change in the number of course reports returned to training service providers due to irregularities. A total of (4 682) course reports were returned to training service providers due to irregularities as compared to (4 225) course reports returned in the 2022/23 financial year.

| Course reports | FY 2023/24 |
|---|------------|
| Course reports on hand by end of March 2023 | 2 091 |
| Total course reports received from April 2023 to March 2024 | 957 985 |
| Total | 960 076 |
| Total course report processed from April 2023 to March 2024 | 952 168 |
| Course reports returned from April 2023 to March 2024 | 4 682 |
| Course report on hand carried over to April 2024 | 3 226 |

2. Industry Training operations

During the financial year under review the Training unit focused resources on delivering on the five year Strategy. The unit business processes and policies were reviewed to ensure efficiency and high quality standards within the private security industry. This is to strive for a capable and trained security industry.

D. Communication and stakeholder engagement

The Authority continues to intensify its efforts in creating a seamless and efficient way of communicating with stakeholders. New platforms of engagement have been introduced to make it easier for clients to reach the Authority. A combination of physical and virtual engagements is utilised to keep clients informed of any new developments within the industry. Clients are now able to engage the Authority through TikTok, WhatsApp channel, google business pages and other avenues that were made available by the Authority.

Despite these new age mechanism to communicate with clients, traditional ways of communication remain the key vehicle of engagements for the Authority.

Stakeholders

The Authority utilised both physical and virtual engagement to update clients during the financial year under review. Workshops targeting niche audiences such as consumers, employers, businesses, unions and other relevant stakeholders were conducted in all the provinces. Twitter spaces and Facebook lives were also utilised to engage with stakeholders on issues related to Annual fees, Online Assessment and Compliance thereby increasing the Authority's audience pool.

Marketing

The Authority continues to embrace digital marketing through campaigns that include search engines, online banners, YouTube advertising and other digital platforms with high traffic volumes. Billboards, newspapers, magazines, Taxi branding and Radio were amongst the channels of engagements utilised by the Authority to reach a mass audience. The campaigns were centred around the Authority's mandate to serve the public. A lot of resources were invested in the promotion of ePSiRA online portal which allows clients to transact daily without any geographical limitations.

Call Centre

Our Call Centre consultants primarily resolve queries pertaining to clients' applications, claiming of profiles on the new digital platform, checking business and individual application statuses and checking course reports. The annual performance target was achieved with a rate of 100% for the year under review. The five-minute average call handling time was calculated across the 140 418 calls received.

Customer relations and complaints management

Complaints management policy was crafted and approved by both the executive and the council. The complaints management policy's objective is to ensure that private security consumers have the best possible complaint resolution service at their disposal. The policy also aligns the actions of security service providers within the prescriptions of the law.

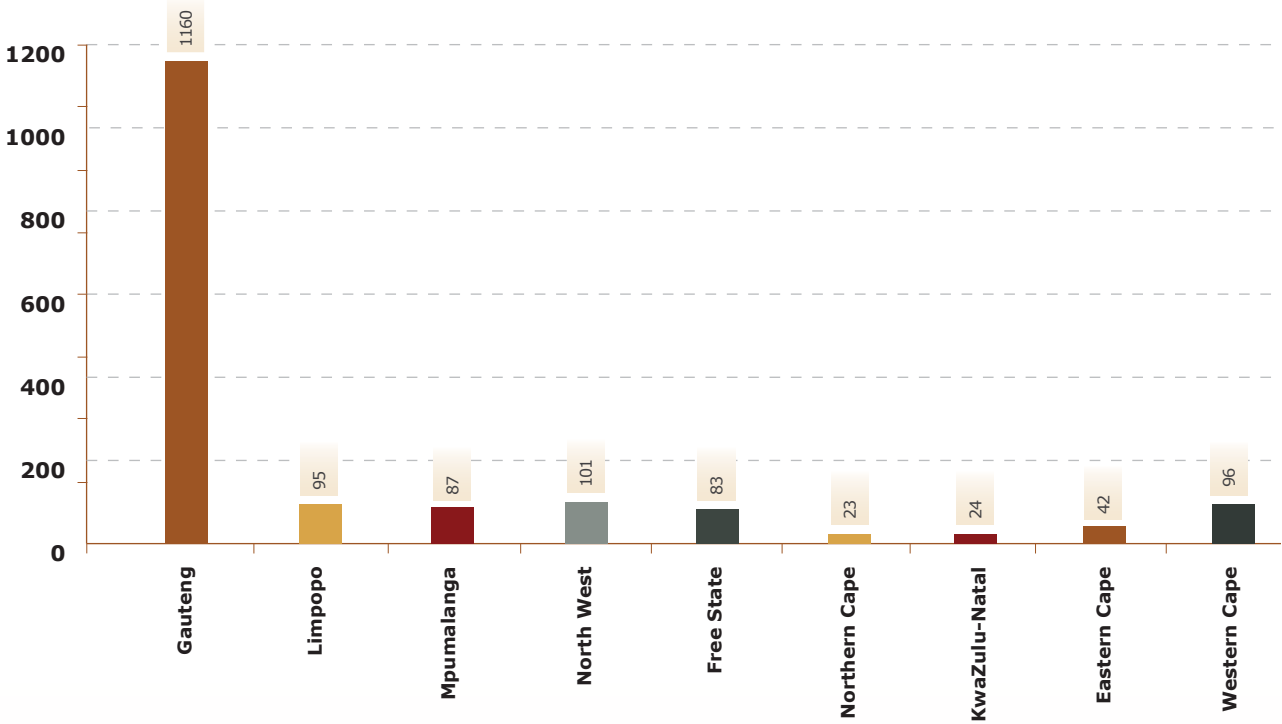
The complaints management legal framework was also crafted and approved by the executive. PSiRA is a public entity established in terms of a statute of Parliament. As such, it is confined by the extends of the said statute and in our case, the PSIR Act.

During 2023/2024 financial year, a total of 1711 industry complaints were received and processed by the Complaints management office. These complaints were referred to various units within the organisation while some were referred to other stakeholders such as SAPS and the National Bargaining Council of the Private security sector.

The complaints relate to non-submission of course reports by security training centers, employment of untrained/ unregistered security officers, employment of illegal immigrants, businesses operating whilst not registered with PSiRA, the use of firearm by untrained officers, security training centers operating in places where they are not accredited to train and complaints relating to quality of service rendered by security service providers.

See table below of complaints statistics for 2023/2024 financial year.

Graphic representation of the complaints RECEIVED during 2023/2024 financial year



E. Research and development

The R&D Unit is entrusted with the responsibility of undertaking ongoing study and investigation of the rendering of security service and practices of security service providers to identify shortcoming in the Act. R&D Unit continues to provide practical recommendations that aimed at improving the regulatory regime and thus inform development of policy and regulation to effectively regulate the private security industry.

In the period under review the unit undertook and finalised different studies including 5 research topics and 4 surveys. A transformation charter and scorecard index were conducted in line with the approved 2023/24 Annual Performance Plan. The summaries of these are detailed below:

Research reports

Report 1: Fighting a Common Enemy: The Role of Private Security in Counterterrorism

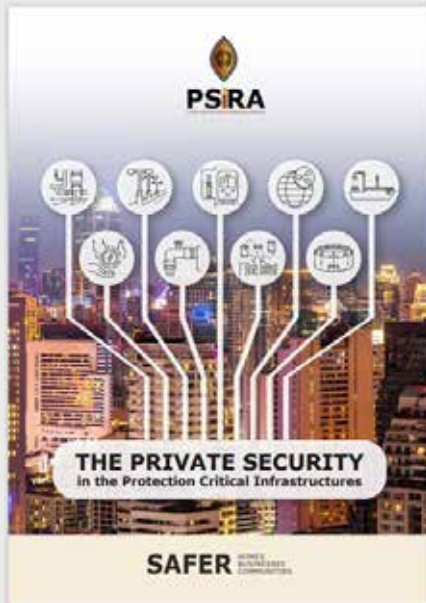


The study unpacked the role the private security industry plays in counterterrorism. It also evaluated the current terrorism threats of South Africa, the counterterrorism strategy as well as how the private security industry fits in this strategy.

The study found that although the private security industry is part of the chain to counter any terrorist threat, it plays a minimal and supporting role in counterterrorism. In most countries, including South Africa, private security actors are not trained to counter terrorism. This study also found that there are four pillars of the United Nations counterterrorism strategy, which are aimed at preventing, protecting, pursuing and preparing. These pillars are also focused on stopping terrorist attacks and reducing the impact and occurrences of terrorism.

The study recommended that PSiRA lead the development of counterterrorism training programs tailored for the South African private security industry. These training initiatives should entail comprehensive coverage of terrorism definitions and legal aspects. PSiRA should forge partnerships with relevant government agencies specialising in counterterrorism to ensure alignment and effectiveness of the training provided to private security personnel.

Report 2: the role of private security in the protection critical infrastructures

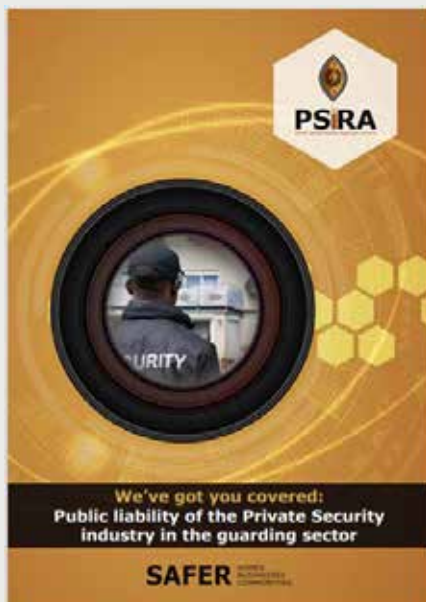


The study explored and examined the regulatory framework of the private security industry in the protection of South African critical infrastructures.

The study found that although the Critical Infrastructure Protection Act exists, the protection of critical infrastructures is still regulated by the repealed legislation. The same Act is also used to develop training standards for security service providers and prospective security service providers. Unlike the National Key Point Act, the new Act grants PSiRA powers to determine and recognise training standards for critical infrastructure protection, which is a new regulation of the Authority.

The study recommended that PSiRA should consider developing regulations for critical infrastructure protection. This would enable the Authority and its stakeholders to identify key areas to be strengthened in the regulation of private security service providers.

Report 3: We've got you covered: Public liability of the private sector industry in the guarding sector

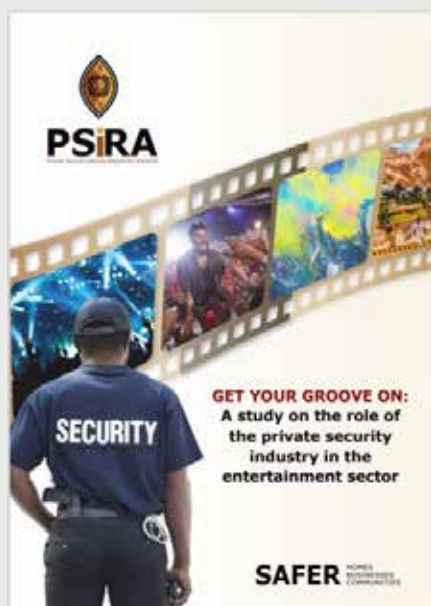


The study discussed the role of the public liability in the guarding sector. The study was limited to the guarding sector as it is one of our biggest sectors within the private security industry in South Africa.

The study found that even though security companies may have public liability insurance, what is offered and covered by financial service providers differs from client to client. This means that each cover is tailored to the needs of each private security company. Each company's needs will then dictate the premium to be paid by the security company. The premium plays a significant role in determining whether the security company will take the public liability insurance at all. The study also revealed factors considered before a security company can take out insurance. In addition, numerous elements influence the premium, including the geographic location and the nature of the business.

The study advised that prior to PSiRA making any final decisions, the Authority should engage with the industry on a broader scale extending beyond the scope of these findings. A notice should be issued inviting the public to provide input on the establishment of a guarantee fund. Moreover, PSiRA must issue an industry circular detailing what 'managed in prescribed manner' will entail and detail how the guarantee fund will be managed. Further, a step-by-step process needs to be set out on how the public and the industry will go about lodging a claim.

Report 4: Get your groove on: a study on the role of security industry in the entertainment sector



The report examined the entertainment sector which consists of various businesses including the media, music, sports, gaming and gambling. The study highlighted roles played by various private security actors in the entertainment industry i.e. providing broader event security at concerts and entertainment establishments.

The study established that there are several security actors operating in the entertainment industry. The Safety at Sports and Recreational Events Act No. 2 of 2010 (SASREA, 2010) forms one of the governing legislations but has many loopholes when it comes to the security aspects of entertainment events. The study also found that security measures at entertainment events are often less rigorous despite the presence of a limited number of security personnel. The study recommended that despite not being recognised as part of the JOC by the SASREA, 2010 PSiRA must have an active role in the JOC meetings. It was also suggested that event organisers must submit a list of their security officers and parking marshals who will be working on the day to PSiRA. This will assist the Law Enforcement unit to verify the training and registration of the security officers and parking marshals working on the day.

Report 5: Safety at your fingertips: exploring technology-based platforms in private security industry



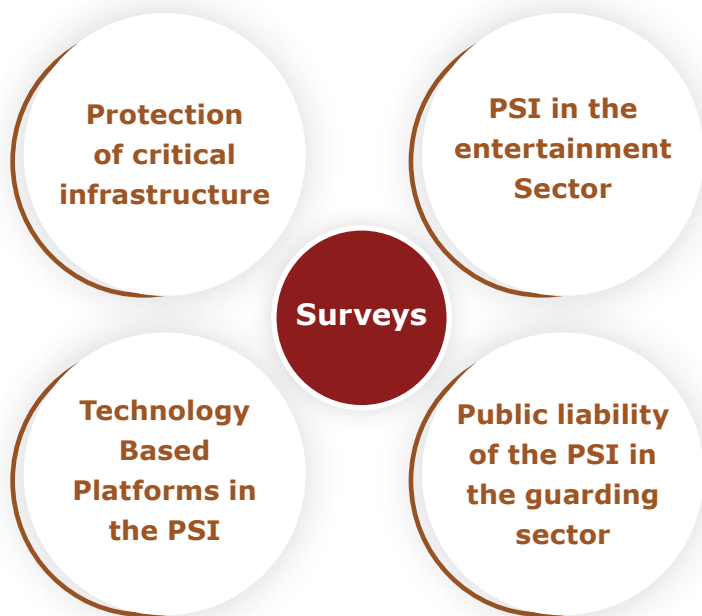
The study explored software technologies in the private security industry with a focus on technology-based platforms including their development, application and regulation. The study also discussed the aspects of liability in relation to the developers, owners and service providers.

The study found that technology-based platforms are very complex commodities which facilitate technological innovation. These platforms include platforms that only facilitate the provision of private security services as well as those which provide for a plethora of services including private security services. Whilst some platforms are linked to private security businesses, other platforms are linked to inhouse security providers. The study also confirmed that the use of technology-based platforms in the private security industry is effective and helps with the insecurity challenges South Africans are facing.

The study recommended that the Authority compile a comprehensive list of these digital platforms and applications and gather extensive data on their functionalities. This listing procedure will also offer insights into their ownership (whether local or foreign) and their connections to the private security industry, including any affiliations with PSiRA registered companies.

9.2 Surveys

To compliment the research studies, the Unit appointed a service provider who conducted four consumer surveys. The surveys sought to: determine the level of consumer satisfaction, enhance the awareness of PSiRA and highlight the benefits of hiring the registered security businesses amongst other. The four topics that were undertaken are:



Transformation Charter

In pursuit of its primary objects to encourage ownership and control of security businesses by historically disadvantaged persons and to encourage equal opportunity employment practices in the private security industry, the Authority held consultative workshops with the interested and affected parties of the private security industry between November and December 2023. A total of 14 consultative workshops were held across the country. The output of this process was the draft Transformation Charter.

10. Revenue Collection

The Private Security Industry Regulatory Authority is a 100% self-funded entity. The entity obtains funds from annual fees billed and administration fees which include registration fees, course report fees, sale and renewal of certificates and ID cards which are all charged to private security officers and private security companies for services rendered. The annual fees are billed at the beginning of each financial year after which the process of collection has to be instituted to ensure that private security service providers pay the fees that are due. Collection strategies include engagements with debtors by the internal debtors department staff, the use of debt collection companies and the institution of legal action when fees are long overdue. A total of R607 538 866 of revenue was recorded in the 2023/24 financial year. The Authority relies mainly on annual fees which make up 42% of revenue in the 2023/24 financial year. Of the billed revenue i.e. annual fees and fines, 86% of revenue was collected against a target of 81% that was set for the 2023/24 financial year. The Authority continues to ensure financial stability through collections under the current annual fees model whilst working towards the implementation of the Levies Act.





Part C:

Governance

1. Introduction

The governance of public entities in the Republic is primarily prescribed under the enabling legislation that establishes each entity and is generally prescribed under the Public Finance Management Act, 1999 (PFMA). These legislations set out the governance principles that entail processes and systems by which these entities should be governed, controlled and held to account. Corporate governance within PSiRA is further guided by the principles of the King Code of Corporate Governance in Southern Africa, which has expanded the application of the scope of corporate governance to include public sector entities under the King IV Code.

In terms of the enabling legislation, PSiRA is governed and controlled by the Council appointed by the Minister of Police in consultation with the Cabinet under section 6 of the PSiRA Act, 2001. The Council is the governing body and the central point of corporate governance at PSiRA and the Accounting Authority of the entity under section 49 of the PFMA, 1999. In addition to legislative prescripts, the Council has adopted the principles under the King Code to carry out its oversight and control responsibilities of a governing body.

PSiRA is a Schedule 3A public entity under the PFMA, 1999 with statutory obligations and responsibilities under Chapter 6 of this Act and the National Treasury Regulations, 2005 as promulgated under the PFMA. The Minister of Police is the Executive Authority of the entity to which the Council reports to regarding amongst others, the performance of the entity in terms of the execution of its mandate under the PSiR Act. The reporting follows the strategic and annual performance plans and budgets as agreed with the Executive Authority and adopted by Parliament, the ultimate authority for accountability by government and public sector entities.

2. Portfolio Committee Engagements

During the period under review PSiRA Council and Executive Management had engagements with the

Portfolio Committee on Police in two (2) meetings for accountability reporting purposes as follows:

- ♦ 03 May 2023 - to present the annual performance plan, and budget for 2023/24; and
- ♦ 22 November 2023 – to present PSiRA’s Annual Report for 2022/23.

The key strategic focus areas which the Portfolio Committee raised during these sittings were the issues of firearms in the hands of security service providers, especially those who have been suspended or deregistered and the related data on the conviction rate of those found guilty at the code of conduct inquiries. The Authority reports to the SAPS on suspended or deregistered security service providers and conducts operations with the SAPS to ensure a handover of firearms to avoid illegal use. The Authority conducted compliance inspections on the use of firearms by security service providers and where noncompliances were identified, SAPS was involved to legally remove the firearms from the noncompliant security service providers. The Authority also instituted code of conduct inquiries against such non-compliant security service providers. The data on the firearms conviction rate from those prosecuted at the code of conduct inquiry was not yet categorised by the Authority at the time of reporting to the Portfolio Committee. The Authority has since started with the categorisation to ensure availability of the data at the next reporting period.

Additionally, the Portfolio Committee raised the issue of the revalidation of registered security officers to check if they were still fit and proper to remain registered. The Authority has initiated a revalidation of the database of security officers with the launch of the digital online registration platform. This initiative finds expression in the Authority’s Annual Performance Plan 2023/24 and the results are reported as part of the output indicators under the predetermined objectives. This process is aimed at cleansing the database of registered security officers and companies Private Security Industry Regulatory Authority Annual

Report 2023/24 101 to ensure accurate reporting in terms industry statistics.

The Portfolio Committee commended the Authority on obtaining unqualified audit outcome for 2022/23 and on the progress made towards addressing the findings from the previous year which resulted in a qualified audit outcome for 2021/22. The audit action plan in respect of the findings continues to be implemented by Management, and in this regard the issues that resulted in material irregularity notification by AGSA after the 2022/23 regulatory audit have since been addressed. The identified potential loss of the prepayment that was made under the UIF projects contract has been cleared through continued delivery of services under the contract with appointed service providers.

3. Executive Authority Engagements

In compliance with PSiR Act and PFMA prescripts, the Authority had engagements with the Executive Authority during the period under review for the following purposes:

- ♦ Attended MINMEC meetings to present quarterly performance information reports for the period under review;
- ♦ 06 October 2023 – Minister’s meeting with PSiRA Council and Management for the Minister to be briefed on the entity’s Annual Report 2022/23 before presentation to Parliament; and
- ♦ Attended various Ministerial imbizos throughout the country in support of Minister’s awareness campaigns on crime prevention and the launch of SAPS Tactical Teams in areas most affected by crime.
- ♦ Attended graduation ceremonies for new SAPS members for support to the Minister by conveying a message of collaborative work between SAPS and private security in the fight against crime.

The Authority, directed by the Minister, hosted a delegation from China’s Ministry of Police and China People’s Police University (CPPU) who had attended the graduation ceremony of new police recruits at the SAPS Academy in Pretoria on 16th December 2023. The engagement with the

delegation culminated in further collaborations to be pursued in the private security training space as CPPU is advanced in developed training standards for the private security industry. These Chinese ways could be adopted in South Africa for the professionalisation of the industry especially on the use of digital technology in the provision of security services.

4. The Accounting Authority/Council

Introduction

PSiRA is governed and controlled by a Council appointed by the Minister in consultation with Cabinet under Section 6 of PSiRA Act. The current Council’s term of office started in January 2021 and was extended by the Minister to end on 31 March 2024. The Council is the Accounting Authority of PSiRA under the PFMA, 1999 and is accountable to the Minister as the Executive Authority of the entity. The reporting responsibilities and accountability of the Council extend to the Parliament of the Republic through the Executive Authority. The Council subscribes to the principles under the King Code on corporate governance and has adopted the Code’s key principles to define PSiRA’s strategy as well as provide direction in its implementation. The Code has also helped establish the ethics and values framework that guide the practices necessary for sustainable performance to achieve the objectives of the Act.

The role of the Council

In terms of the Act, the role of the Council includes among others, to take steps to achieve the objectives of the entity as envisaged in section 3 of the Act, to ensure performance of the duties of the Authority, and to oversee and exercise general control over the performance of the functions of the Authority and of the activities of the persons appointed by Council. The Council is responsible for setting the strategic direction of the entity guided by the legislative mandate under the Act, and government policy as articulated in the National Development Plan, 2030.

The Council is ultimately responsible and accountable to the Minister for the performance of

its functions and from time to time, supplies the Minister with such information as prescribed by legislation or as the Minister may require regarding the functions of the Authority or any other matter relating to the entity.

Council Charter

Over and above the legislative prescripts which set out the functions of the Council and how it should conduct its business, the Council has developed and approved the governance framework, which include the Council Charter, Code of Conduct for Councillors, and the Performance Evaluation Framework to assist in guiding its activities, and to supplement the legislative prescripts for good governance across the organisation. The approved governance framework was adopted by the Minister. The Council Charter sets out the roles and responsibilities of Council, Council Committees, and those of the Executive Management, as guided by sound principles of delineation of responsibilities. The Charter is supported by the Delegation of Authority Policy which governs the internal control environment by providing for delineation of responsibilities and segregation of duties within PSiRA.

The Council continues to monitor and review the governance framework to ensure that its activities are undertaken in line with the new trends in good governance practices and that the provisions of the Charter remain relevant. This has resulted in some significant improvements in terms of the governance of the entity with the functional focus for the Council being on strategic matters, whilst Management is left to deal with the day-to-day operational matters, with regular reporting back to Council on the performance of the entity in the execution of the strategic direction as set by the Council.

Composition of the Council

Section 6 of the Act prescribes that the Council should be constituted by the following members:

- ♦ Chairperson;
- ♦ Vice-Chairperson; and
- ♦ Three (3) additional Councillors, all appointed by the Minister in consultation with Cabinet.

During the period under review the Council continued to be constituted by all the five (5) members whose term of office started in January 2021 and was extended by the Minister to expire on 31 March 2024.

The Table below depicts the Council composition for the period under review with an indication of the dates of appointments and their qualifications.

| Name | Designation (in terms of the Public Entity Board structure) | Date appointed | Date Term of Office Expired | Highest Qualification | Area of Expertise | Board Directorships (List the entities) | Other Committees or Task Teams | No. of Meetings attended |
|-------------------|--|----------------|-----------------------------|---|--|--|--------------------------------|--------------------------|
| Dr A.L Shibambo | Chairperson | 01/01/2021 | Current | D. Phil (Leadership in Performance and Changes) | Human Resource, Law enforcement (Safety and Security), wellness and procurement (governance) | Elderly Care Fund for retired Officers; Lungisa Entrepreneurial Development Zwonaka private clinic; and African Institute of Mentoring. | None | 7 |
| Mr. M.S Ralebipi | Vice-Chairperson | 01/01/2021 | 31/03/2024 | B. Com (Acc) | Finance, Human Resource and Governance | Road Agency Limpopo; Limpopo Development agency; Musina Makhado Special Economic Zone; Corridor Mining Resources; Amazin Hotels (Pty) Ltd; Ralebipi Properties; Lesedi Ko Pele consulting; and KCRL motor Licensing. | HCREMCO & FINCO | 4 |
| Dr S.N Mbete | Councillor | 01/01/2021 | 31/03/2024 | D. Phil (International Relations) | Education and Training; International Relations and governance | Social Justice Initiative; Amabhungane Centre for Investigative Journalism; and Peridot Traders. | HCREMCO, SEC & SCBC | 6 |
| Ms. T. Ntshangase | Councillor | 01/01/2021 | 31/03/2024 | B. Com | Finance and Supply Chain Management | HPCSA Medical Technology Board; Agribusiness Development Agency; Wholesale & Retail SETA; National Agricultural Marketing Agency; Vunavest; and Logico Logistics | FINCO & SCBC | 5 |
| Mr. N.H Ngubane | Councillor | 01/01/2021 | 31/03/2024 | M. Ed (Leadership & Admin) | Education and Training, and Governance. | Jaybex; Netasq; Suneshine Golf Academy; Makhaye Ngubane Investments; Composite Cylinder Technologist; and Secretariat of KZN Education Development Trust | SEC, SCBC & HCREMCO | 6 |

Council Committees

The Council is empowered under section 13(1) of the Act to establish governance committees to assist it in its oversight role and general control of the entity. The Committees may consist of one or more councillors, or one or more councillors and one or more other persons, or one or more other persons. The Committees advise and assist the Council in the execution of its mandate in relation to any matters referred to the committee by the Council, and to report on those matters to the Council.

During the period under review Council continued to be assisted by the committees as per the Table below, which operated under Terms of Reference (Charter) approved by Council for each of the committees. The committees reported to Council on their activities as per their annual programmes and Terms of Reference, and regularly recommended matters to Council for approval, where such matters required decision at a level of authority exclusively reserved for the Council.

| Committee | No. of meetings held | No. of members | Name of members |
|--|----------------------|----------------|---|
| Audit and Risk Committee (ARC) | 7 | 5 | <ul style="list-style-type: none"> ♦ Mr. N Mhlongo (Chairperson); ♦ Ms. U. Exner (Deputy Chairperson); ♦ Mr. M. Matlwa (Member); ♦ Ms L. Mudau (Member); and ♦ Ms. G. Ramphaka (Member). |
| Finance and Investment Committee (FINCO) | 5 | 5 | <ul style="list-style-type: none"> ♦ Ms. T. Ntshangase (Chairperson); ♦ Mr M.S Ralebipi (Member); ♦ Ms. P Motsielwa (Member); ♦ Ms. L Maseko (Member); and ♦ Mr. G. Maluleke (Member). |
| Human Capital and Remuneration Committee (HCREMCO) | 4 | 4 | <ul style="list-style-type: none"> ♦ Mr M.S Ralebipi (Chairperson); ♦ Ms S.N Mbete (Member); ♦ Mr. H.N Ngubane (Member); and ♦ Dr N Skeepers (Member). |
| Stakeholder and Core Business Committee (SCBC) | 4 | 4 | <ul style="list-style-type: none"> ♦ Mr H.N Ngubane (Chairperson); ♦ Dr S.N Mbete (Member); ♦ Ms T. Ntshangase (Member); and ♦ Prof K. Pillay (Member). |
| Social and Ethics Committee (SEC) | 2 | 3 | <ul style="list-style-type: none"> ♦ Dr S.N Mbete (Chairperson) ♦ Mr. H.N Ngubane (Member); ♦ Mr M.S Chauke (Member). |

During the period under review, the Council also continued to receive advisory recommendations on regulatory matters pertaining to the specific sectors of the private security industry from the constituted Private Security Industry Advisory Committee. The Committee is established under section 13(2) of the Act and is constituted by representatives of the various sectors of the private security industry as defined in section 1 of the Act, and is primarily established to among others:

- ♦ Create an active channel of communication between the Council and the private security industry on a national level;
- ♦ Improve relations with the private security industry and to initiate collaboration and co-operation in respect of the regulation of the private security industry;
- ♦ Create a platform to identify areas of concern within a particular sector and to initiate a co-operative approach in addressing these areas;
- ♦ Share industry perceptions on PSIRA's performance to enhance and protect its reputation;

- ♦ Identify skills development requirements for the various sectors;
- ♦ Identify the need for development of national standards and/or guidelines relating to the private security industry environment;
- ♦ Develop proposals on broader industry participation in crime prevention and partnership policing with state agencies; and
- ♦ Promote industry research.

Representatives from the following industry sectors constitute the Private Security Industry Advisory Committee:

- ♦ Guarding Sector;
- ♦ Close Protection Sector;
- ♦ Electronic Sector;
- ♦ Private Investigation Sector;
- ♦ Security Training Sector; and
- ♦ Locksmith Sector.

Remuneration of Council members

The remuneration of Councillors is regulated under section 8(6) of the Act which provides that a Councillor, or a member of a committee appointed by the Council, who is not an employee of the Authority or an officer or employee in the Public Service, may be paid from the funds of the Authority such remuneration and allowances as the Council may determine with the concurrence of the Minister. PSiRA as a Schedule 3A public entity under the PFMA was classified by the Minister of Finance in terms of National Treasury guidelines on service benefits for office bearers of certain statutory entities, under Sub-category A1 for purposes of determining the remuneration of Councillors.

The Minister has, taking cognisance of National Treasury guidelines as published by the Minister of Finance from time to time, concurred with the determination by Council for a fixed monthly stipend remuneration of Councillors, as opposed to a meeting attendance fee structure based on an hourly or daily rate. Annual cost of living adjustments to the rates as published by National Treasury are implemented upon approval by the Minister of Police. The full disclosures in terms of the remuneration and other allowances paid to Councillors during the period under review, are contained in the annual financial statements under Part E of this report.

5. Risk Management

The Authority’s Risk Management approach and principal objective is to increase the likelihood of PSiRA achieving its objectives by optimally balancing risk and reward.

Risk Management Methodology

The implementation and integration of risk management within the Authority is guided by the approved Risk Management Framework, Policy and Strategy which outline PSiRA’s commitment and approach to risks affecting its mandate. The Authority adopted the risk management framework of ISO 3100, Committee of Sponsoring Organisation (COSO) of the Treadway Commission, the National Treasury Risk Management Framework and King IV to ensure alignment with best practices.

Risk Assessments

Regular risk assessments are conducted in line with the Risk Management Implementation Plan, which includes the review of internal controls and actions that are in place to respond to the assessed risks. Risk assessments within the Authority are conducted on an annual basis for strategic, operational and for projects as and when new projects are initiated. During this process, risks affecting the strategic outcomes, operations and projects are identified, assessed, analysed and appropriate measures are put in place to manage them.

Risk Management Governance

- ♦ The Authority has established a Risk Management Committee which is chaired by an independent external chairperson. The Committee operates within the confines of an approved charter and is responsible for, amongst others, the review of the Authority’s Risk Management methodology, Business Continuity Plans, and monitoring of the implementation thereof.
- ♦ Audit and Risk Committee (ARC) is a Council established Committee, comprises of five independent non-executive members, who, collectively, are adequately qualified and experienced to fulfil their duties. Committee members also have sufficient knowledge of financial reporting, internal financial controls,

the external and internal audit process, risk management process, and information technology governance.

- ♦ The Committee operates in terms of a Charter approved by the Council. The roles and responsibilities of the Committee, among others, include ensuring that the Authority has implemented an effective policy and plan for risk management, which will protect it from undue losses.

Value Add of Risk Management

- ♦ The Authority has managed to achieve the National Treasury Risk Management Maturity assessment level 5 rating.
- ♦ The Authority has managed to implement 93% of the action plans for the 2023-24 financial year.
- ♦ The Authority achieved 92% of the Annual Performance Plan indicators outlining the returns of management of risks
- ♦ Development of the Director's Office operational risk register

6. Internal Control Unit

PSiRA uses services of an outsourced service provider for its internal audit function. The function is under the oversight of the Audit and Risk Committee and is guided by the Internal Audit Charter and the Internal Audit Standards. The internal audit function measures and evaluates the effectiveness and application of policies, procedures, systems, and processes designed to fulfil the requirements of the risk management, and general compliance with legislation, governance principles, regulation and the safeguarding of assets. In the year under review the internal audit plan focused on core business, supply chain management, human resources, financial management and performance management. A 3 year rolling plan is developed and guides the activities of the Internal Audit function over a 3 year period.

7. Internal audit and audit and risk committee

The internal audit function at PSiRA is an outsourced function contracted to OMA Chartered Accountants as a service provider. The internal audit firm conducted its assurance activities for the year based on the approved internal audit

charter and annual audit plan. The internal audit plan followed a risk-based approach informed by the adopted strategic risks which identified the key risks that could impact on the achievement of the entity's objectives. The audit plan for the period under review prioritised the following areas which presented key risks for the entity:

- ♦ Unaudited Annual Performance Information – 2022/23;
- ♦ Unaudited Financial Statements Compliance Review – 2022/23;
- ♦ Information and Communication Technology – Follow up Review on previous findings;
- ♦ Compliance and Enforcement, including follow-up review on previous findings;
- ♦ Communication, Registrations, Training and Research;
- ♦ Review of Performance Information reporting Q2 and Q3;
- ♦ Review of Annual Performance Plan for 2024/25;
- ♦ Supply Chain and Expenditure Management – All thresholds;
- ♦ Human Capital Management;
- ♦ Internal financial controls; and
- ♦ Follow Up on Internal and External Audit Findings 2022/23;

The audit plan was fully executed, and audit reports submitted to the Audit and Risk Committee for review, adoption, and monitoring of implementation of management audit action plans.

The internal audit function operates under the oversight monitoring and assessment of the Council's Audit and Risk Committee. The Committee was established by Council in terms of Section 77 of the PFMA, read with section 13 of the PSiR Act, and consisted of five (5) independent non-executive members. The members collectively have adequate qualifications, skills, and experience to fulfil their duties, which include knowledge of financial reporting, internal financial controls, external and internal audit process, risk management and compliance, and information technology governance.

The Committee operates in term of a Charter approved by Council. The roles and responsibilities of the Committee include the following:

- ♦ Review and monitoring of the internal control

systems to protect the interests and assets of the Authority;

- ♦ Reviewing the accuracy, reliability and credibility of statutory financial reporting and the annual financial statements, as presented by Management prior to submission to Council for approval;
- ♦ Ensuring that an effective internal audit function is in place and the roles and functions are clear and coordinated to provide an objective overview of the operational effectiveness of the entity's systems of internal control, risk management process, governance, and reporting. The Committee also assesses the performance of the internal audit function annually, and was happy with the assessment results, which indicated satisfactory levels of assurance and effectiveness in the work of internal auditors;
- ♦ Ensuring that the Authority has an effective policy and plan, which is implemented for risk management to protect against undue losses;
- ♦ Reviewing any accounting and auditing concerns raised by internal and external auditors, the annual financial statements and performance information reports;
- ♦ Obtaining assurance for information technology in relation to the management of IT assets, governance and controls, risks and disaster recovery;
- ♦ Reviewing the effectiveness of the system that monitors compliance with laws and regulations, and the results of management's investigation and follow-up (including disciplinary action) of any instances of non-compliance; and
- ♦ Instituting and overseeing fraud and corruption investigations as needed.

The Committee convened seven (7) times during the period under review, and the following assurance functions attended all the meetings:

- ♦ Internal auditors;
- ♦ External auditors (AGSA representatives);
- ♦ Executives and senior management; and
- ♦ Other relevant officials of the Authority.

8. Compliance with laws and regulations

During the period under review the Council continued to monitor compliance with relevant legislation and regulations by Management in conducting the business operations of the entity. The primary legislation to which the entity must consistently comply remains the PSiRA Act and the PFMA, 1999. Other relevant legislation are monitored by relevant committees of council through the activities of the divisions to which such legislation applies. PSiRA policies are regularly reviewed for alignment with relevant legislation and for their overall relevance at all times. Reporting on compliance is monitored through the Audit and Risk Committee as well as other relevant Committees of Council. It remains a standing agenda item for Council meetings.

Council monitors compliance through monitoring of the compliance risk register and checklists designed for monitoring compliance with relevant legislation. These include registers for listing of non-compliant expenditure under the PFMA, and reporting on actions taken where cases of non-compliance are reported or identified. The monitoring tools as referenced assist Council in assessing the risk of non-compliance with legislation and regulation. The monitoring tools furthermore inform responses required from Management to develop and implement mitigating measures to prevent the risks from materialising.

Compliance with internal policies and procedures is a further crucial aspect for ensuring an improved governance and internal control environment within the entity. A policy universe is maintained, and compliance therewith is monitored on an on-going basis.

9. Fraud and Corruption

♦ Fraud Prevention Policy and Plan

PSiRA had a Fraud Prevention policy and Plan in place and implemented this during the financial year under review. The Fraud Prevention Plan was reviewed and adopted by the Council for 2023/2024 financial year, and continues to be relevant in terms of fraud prevention. The Forensic and Ethics Unit is

responsible for annual review and implementation of the plan.

♦ Mechanisms in Place to Report Fraud and Corruption

The reporting channels for unethical, fraud and corruption impacting PSiRA are the following:

The Authority has a Fraud Hotline where any suspected or actual fraud can be reported on **0860 333 036**.

All calls are treated with utmost confidentiality, and reporting may be made anonymously.

The facility is administered by an independent firm of Forensic Auditors to ensure that the identity of staff members that utilise this facility remains safeguarded. No person in the Authority regardless of seniority, have access to the identities of staff members or other persons who report irregularities of fraud. There is a reporting hierarchy on hand for the fraud hotline administrators, which guides them on where to refer cases, including cases against the Director and Council members.

Reported cases are managed through an automated case management system and allocated to the relevant divisions for investigation. The hotline is available 24 hours a day, seven days a week and the call centre agents are able to converse in 11 official South African languages. Details of the hotline are communicated to all employees through various awareness and education mechanisms.

Employees are protected from victimisation by PSiRA Whistle Blowing Policy which ensures that reporting is undertaken in line with the Protected Disclosure Act, 2000 (Act no. 26 of 2000).

♦ Fraud and Corruption Investigation

The Authority has adopted a policy of investigating all reports of fraud and corruption. Any suspicion of fraud and corruption is tested, reviewed and analysed if it warranted investigation. The appointed investigator submits a written report to the Accounting Authority, through the Audit and Risk Committee detailing circumstance and

recommending appropriate remedial action following the investigation. FEU statistics for the period 1 April 2023 to 31 March 2024, indicates the extent to which fraud is experienced and managed by the organisation, as well as the PSiRA's commitment to combat fraud and corruption.

During the financial year under review 639 complaints were received through the Fraud Hotline and 70 complaints were received through the Helpdesk. Out of 639 complaints, 509 complaints were industry related and were referred to the Law Enforcement division for investigation and further processing. 60 hotline complaints were undertaken by Forensic and Ethics Unit, 9 of which were allegations of misconduct against employees of the Authority. The 9 allegations are further narrowed down to 3 allegations of corruption and 6 allegations of general misconduct. There were 21 cases, 3 of which were internal and 18 external that were brought forward from the 2022/2023 financial year.

In total, the unit had 130 cases 86 of which were external and 44 internal cases. Out of the 86 external cases, 64 were finalised and 22 cases were brought forward from the 2023/2024 to the 2024/2025 financial year. There were 12 industry related criminal cases opened and 20 suspects were arrested by the Unit. Out of 44 internal cases 36 were finalised and 8 were brought forward from the 2023/2024 to 2024/2025 financial year.

Confirmed Incidents of Irregularities 2023/2024

| PSIRA OFFICES | Disciplinary actions (Completed) | Disciplinary actions (In-Progress) | Total | Resolution |
|-----------------------|----------------------------------|------------------------------------|-------|--|
| Head Office | 15 | 3 | 18 | 1 submitted to HC, 1 Money to be recovered from employee, 8 finalised, 5 no illicit activities. 3 still under investigation |
| Pretoria | 4 | 2 | 6 | 1 employee suspended, 2 pending disciplinary hearing, 1 no illicit activities identified against staff member and 2 still under investigation. |
| Johannesburg | 4 | 0 | 4 | 1 employee suspended , 3 no illicit activities identified against staff members. |
| Nelspruit | 0 | 0 | 0 | None. |
| Polokwane | 1 | 0 | 1 | 1 criminal case opened due to fraudulent use of signature. |
| Durban | 7 | 3 | 10 | 1 employee resigned, 2 submitted to HC, 4 no illicit activity and 3 still under investigation. |
| Bloemfontein | 2 | 0 | 2 | 1 submitted to HC, 1 no illicit activity. |
| Umtata | 0 | 0 | 0 | None. |
| Arcadia | 1 | 0 | 1 | No illicit activity identified against staff member. |
| Port Elizabeth | 0 | 0 | 0 | None. |
| Cape Town | 2 | 0 | 2 | 1 submitted to HC, 1 employee resigned. |
| | 36 | 8 | 44 | |

- Categories include fraud, corruption (Misuse of resources, non-compliance with policies, theft).

Confirmed Incidents of Irregularities 2023/2024

| Descriptions / Categories | Investigation Completed | Investigation in progress | Total | Resolution |
|--|-------------------------|---------------------------|-------|--|
| Identity Fraud | 36 | 8 | 44 | 7 criminal cases registered(6 suspects arrested). 2 finalized(complainant was advised to open criminal case), 7 delinked from unknown companies, 1 absconded/terminated, 19 unfounded and 8 still under investigation. |
| Submission of fraudulent course reports | 1 | 1 | 2 | 1 Finalized and 1 still under investigation. |
| Deployment of unregistered security officers | 15 | 9 | 24 | 2 Criminal cases registered(12 suspects arrested), 11 complaints were unfounded, 2 finalized(6 criminal cases opened) and 9 still under investigation. |
| Illegal fire-arm | 1 | 0 | 1 | 1 Finalized(8 criminal case opened and arrest made. |
| Fraudulent PSiRA registration certificates | 8 | 4 | 12 | 8 unfounded(1 complainant could no longer provide any information on the matter, 1 witness not cooperating, 1 complainant is not registered with psira, 1 none of the officials are not willing to provide affidavit of what transpired. 1 he thought his Psira number changes after renewal, 1 was advised to go renew his certificate, 1 suspects absconded, 1 complainants alleged that the people that they bought the certificates from are unknown to them) and 4 still under investigation. |
| Impersonation of PSiRA inspectors. | 2 | 0 | 2 | 2 criminal case opened(2 suspect arrested). |
| Pending criminal case against So. | 1 | 0 | 1 | Finalized |
| | 64 | 22 | 86 | |

- Categories include fraud (identity fraud, fraudulent course reports, fraudulent id cards, fraudulent registration certificates, contravention of section 20 of Act 56 of 2001).

9.2. Minimising conflict of interest

During the financial year under review PSiRA achieved a 100% declaration by employees, suppliers/contractors to manage conflict of interests. Council's approach to the issue regarding conflict of interest is

incorporated as part of the governance framework for the entity. The Council Charter and Code of Conduct incorporate the principle that Councillors have a legal obligation to act ethically and in the best interest of the Authority, to act with due care and diligence in discharging their duties as Councillors, to declare and avoid conflicts of interest with the Authority and to disclose and account for any advantages gained in discharging their duties on behalf of the Authority. Councillors have pledged to always put the interests of the Authority ahead of their own interests by signing the Code of Conduct.

Code of Conduct prescribes that Councillors must disclose to the Council or to any committee that the Councillor is a member, any direct or indirect personal or private business interest that Councillor, or any spouse, partner or business associate of that Councillor may have in any matter before the Council or committee; and to withdraw from the proceedings of the Council or committee when that matter is considered by the Council or committee.

The Code of Conduct also requires Councillors on an annual basis, to make disclosures in terms of their directorship and/or shareholding in any company or any other entity, which may potentially have an interest in the business of PSiRA. Similar provisions are also applicable to officials of PSiRA under the code of conduct for employees and the procedures for disclosure of interests. A verification process of the information disclosed is undertaken by the Authority's Forensics and Ethics Unit to provide some level of assurance on the disclosures made. The process entails verification against CIPC and PSiRA databases of suppliers and registered security businesses.

9.3 Code of conduct and ethics

PSiRA is determined to discharge its legislative mandate in an ethical organisational environment under an ethical leadership at the top. To this end, PSiRA has developed Values Framework based on the values of Integrity, Excellence and Ubuntu which are inculcated in the organisational culture to enhance ethical standards within PSiRA.

At the core of PSiRA Values Framework are the Code of Conduct for both Councillors and employees and

other ethics-related policies, which are informed by the provisions of the PFMA, 1999 and the principles under King Code of Governance. The overall objectives of the ethics codes and related policies are to:

- ♦ Provide exemplary standards of conduct expected of all Councillors (ethical leadership at the top) and officials while conducting PSiRA business;
- ♦ Manage conflicts of interest, particularly in human resources and supply chain management processes; and
- ♦ Create a sound and ethical organisational culture for the conduct of PSiRA business based on the Values Framework of the entity.

Cases of non-compliance with the ethics codes and related policies are referred for investigation and disciplinary processes in terms of PSiRA disciplinary procedures in respect of employees, and preliminary investigations and referral to the Executive Authority for a decision/sanction in respect of Councillors.

10. Minimising conflict of interest

Council's approach to conflict of interest is incorporated as part of the governance framework for the entity. The Council Charter and Code of Conduct incorporate the principle that Councillors have a legal obligation to act ethically and in the best interest of the Authority, to act with due care and diligence in discharging their duties as Councillors, to declare and avoid conflicts of interest with the Authority, and to disclose and account for any advantages gained in discharging their duties on behalf of the Authority. Councillors have pledged to always put the interests of the Authority ahead of their own interests by signing the Code of Conduct.

The Code of Conduct prescribes that Councillors must disclose to the Authority or to any Committee of which the Councillor is a member, any direct or indirect personal or private business interest that the Councillor, their spouse, partner or business associate may have that relates to any matter before the Council or Committee; and to withdraw from the proceedings of the Council or Committee when that matter is considered.

The Code of Conduct also requires Councillors on an annual basis, to make disclosures in terms of their directorship and/or shareholding in any company or any other entity, which may potentially have an interest in the business of PSiRA. Similar provisions are also applicable to officials of PSiRA as prescribed in the code of conduct for employees and the same procedures for disclosure of interests apply. A verification process of the information disclosed is conducted by the Authority's Forensics and Ethics Unit to provide some level of assurance on the veracity and completeness of the disclosures. The process entails verification against CIPC and PSiRA databases of suppliers and registered security businesses.

11. Code of conduct

PSiRA is determined to discharge its legislative mandate in an ethical organisational environment under an ethical leadership at the top. To this end, PSiRA has developed the Values Framework based on the values of Integrity, Excellence and Ubuntu which are inculcated in the organisational culture to enhance compliance with ethical standards within PSiRA.

At the core of PSiRA's Values Framework are the Code of Conduct for both Councillors and employees and other ethics-related policies, which are informed by the provisions of the PFMA, 1999 and the principles under the King Code of Governance. The overall objectives of the ethics codes and related policies are to:

- ♦ Provide exemplary standards of conduct expected of all Councillors (ethical leadership at the top) and officials while conducting PSiRA business;
- ♦ Manage conflicts of interest, particularly in human resource provisioning and supply chain management processes; and
- ♦ Create a sound and ethical organisational culture for the conduct of PSiRA's business based on the Values Framework of the entity.

Cases of non-compliance with the ethics codes and related policies are referred for investigation and disciplinary processes in terms of PSiRA

disciplinary procedures in respect of employees, and preliminary investigations and referral to the Executive Authority for a decision/sanction in respect of Councillors.

12. Health safety and environmental issues

12.1 Training

The below proposed training has been approved for 24/25 financial year.

- a. Legal liability
- b. Combined ISO 45001 and 14001 implementations
- c. Combined ISO 45001 and 14001 internal Auditing
- d. ITIS- Trainer the trainer
- e. Safety for supervisors
- f. COIDA
- g. Preliminary incident investigation.

12.2 Awareness

- a. OHS Awareness was hosted online in April 2024, and it will change again after every 3 months
- b. Induction has been conducted to new PSiRA employees
- c. Visible Felt Leadership for safety was done at all PSiRA offices

12.3. Inspections and Evacuation drills were conducted at the below offices:

All PSiRA offices are equipped with appropriate fire extinguishers that are constructed to provide easy safe maintenance to SABS 1475 specifications by qualified SAQCC technicians.

12.4 Management System

PSiRA has drafted the OHS management system to provide a framework for managing OH&S risks and opportunities and prioritising the risk assessment to ensuring safety , well-being in the organization, Identifying, evaluating, and prioritizing potential risks.

12.5 The following policies and documentation were reviewed.

- a. SHE Policy
- b. HIV and AIDS
- c. OHS terms of reference

12.6 SHE Committee meeting

- a. The SHE committee meeting was held for the 1st quarter.

The main purpose of the Compensation for Occupational Injuries and Diseases Act (COIDA) is to provide compensation for all permanent, casual, temporary or contracted employees who might suffer an injury during their employment. PSiRA has the letter of good standing in its premises.

13. Corporate secretary

The activities of Council governance structures at PSiRA are facilitated and coordinated under the guidance of a corporate secretary appointed by Council. The corporate secretary is functionally accountable to the Council to among others:

- ♦ Ensure that the Council governance framework and procedures are consistently complied with and reviewed regularly;
- ♦ Ensure that the applicable rules and regulations for conducting the affairs of the Council are complied with;
- ♦ Maintain statutory records in accordance with legal requirements;
- ♦ Provide the Council as a collective, and individual Council members with governance advice as to how their duties and responsibilities should be properly discharged in the best interest of the Authority;
- ♦ Keep abreast of, and inform the Council of current corporate governance trends and practices;
- ♦ Ensure Council and Council Committee Terms of Reference are reviewed regularly for continued relevance and compliance with new legislation and governance practices;
- ♦ Provide a central source of guidance and support to the Council and Executive Management on governance matters, particularly with reference

to the relationship that must be maintained between the Council and Management;

- ♦ Assist with the coordination of performance evaluation of the Council, Committees and individual Councillors to identify areas for improvement and skills gaps;
- ♦ Facilitate the Council induction/training workshops and develop customised developmental training programmes for Council and Council Committees; and
- ♦ Ensure preparation and timeous circulation of agenda meeting packs and proper record keeping of minutes of Council and Committee meetings.

14. Social responsibility

♦ Slipper Day

On Friday 05 May 2023, the Authority participated in Slipper Day, an initiative by the Reach for A Dream Foundation to raise funds aimed at helping a child fight a life-threatening through the sale of stickers.

As part of Corporate Social Responsibility (CSR), the Authority purchased 380 stickers for all PSiRA employees at R20.00 each, amounting to a total of **R7600.00**. Stickers were distributed to all the offices, and employees could wear sleepers at work and redeem free coffee at Wimpy as part of the cause.

♦ Take A Girl Child to Work Campaign

The Authority participated in The **Cell C Take a Girl Child to Work Day Campaign** on Thursday 25 May 2023, under the theme #MoreThanADay. This campaign focused on innovative ways to advance gender equality and the empowerment of women and girls. The theme further embeds that through believing in their dreams, girl learners have the power to inspire, influence and lead.

The Campaign was targeted at girls in Grades 8 to 12 who got to visit the workplace and experience the corporate world first-hand. A total of 20 girl learners were invited from Sinenjongo High School in Cape Town to visit the Cape Town Office for the day. The girls had motivational talks with the

women managers from the Head office via MS Teams. Transport, catering and gifts were arranged for them.

♦ **Child Protection Week**

The Authority participated in the 2023 National Child Protection Week by donating 120 school uniforms to a disadvantaged school in Mthatha in the Eastern Cape on Friday, 02 June 2023. This formed part of the National Child Protection Week (NCPW) which is observed in South Africa annually to raise awareness of children's rights as articulated in the Children's Act of 2005. The Campaign began in 1997 and aims to mobilise all sectors of society to ensure that children are cared for and protected. The Campaign took place from 29 May to 05 June 2023. The Campaign also aims to deal with child abuse while educating communities about child protection. During the week, citizens wear a green ribbon to show support for the promotion of the rights, care and safety of children.

The chosen school was Fairfield Primary School, located in rural called Fairfield, Mthatha. Most of the learners accommodated at the school are from low-income households where most guardians are farmworkers. The uniform donated amounted to **R67 000.00**.

♦ **Comrades Marathon 2023**

The Comrade's Marathon is an ultramarathon of approximately 89 kilometres run annually in KwaZulu Natal province between the cities of Durban and Pietermaritzburg. PSiRA sponsored Mr Fhatuwani Makhado, Manager: Financial Accountant at PSiRA, who has consistently participated in the marathon for six years. Mr Makhado has always been an active runner since partaking in the Comrades Marathon and has been preparing himself by engaging has daily exercises in the afternoon gym sessions. Mr Makhado finished the race again this year, and PSiRA is proud of his commitment and achievement.

PSiRA also co-sponsored Mr Tete Dijana, a security officer registered with PSiRA, who is popularly known for participating in the 2022 Comrades Marathon and was crowned the overall race winner. Mr Dijana did it again this year by winning the 2023 Comrades Marathon, and PSiRA congratulated him for his achievement.

The total sponsorship amount for Mr Makhado was R40 000.00, which covered the accommodation and travel costs and the PSiRA branded gear, while the sponsorship amount for Mr Dijana was R65 550.00. Therefore, the total sponsorship for both participants amounted to **R105 550.00**.



◆ **Wheel Chair Donation**



On Thursday 29 June 2023, PSiRA donated an electronic wheelchair to Ms Mbali Mdhletshe (32), a newly registered Security Officer from Welbedacht West in Kwa-Zulu Natal. Mdhletshe experienced challenges during her registration process as her fingerprints were unclear and returned as a retake at the PSiRA Durban branch. She had to revisit the office, which was costly for her since she required special transportation. Ms Mdhletshe contacted the KZN Provincial Manager, Ms Ncamisile Mhlongo and stated her challenges. As a PSiRA value-entrenched employee, the Provincial Manager personally went and assist Mdhletshe at her home. When her PSiRA certificate and card were approved, the Provincial Manager delivered them to her house where she found that she could not move around as her wheelchair was old and needed to be replaced, a cost Mdhletshe could not afford. As an Ubuntu-centred organisation, the Authority intervened and donated a new electronic wheelchair for Mdhletshe to move around in at a cost of **R26 000.00**.

◆ **PSiRA Donated School Uniform to Kgetleng Primary School-NW**



The Private Security Industry Regulatory Authority (PSiRA) brought smiles and cheer to the learners of Kgetleng Primary School, a school situated in Swartruggens, 65km outside Rustenburg, during Mandela Day commemoration, an annual

international day in honour of Nelson Mandela, celebrated each year on 18 July, Mandela’s birthday.

The Authority donated full school uniform to 250 learners who are from destitute families, installed 16 doors, 12 green chalkboards and a signage (board) at the school. The school which consists of more than 1800 learners is situated at Borolelo location in Swartruggens in the North West Province and is categorised as Quintile 1 (Schools catering for the poorest). The village has a very high unemployment rate resulting to poverty. Most of the learners are from disadvantaged households, where some do not even have birth certificates which hinders them from applying for social grants.

◆ **Take A Boy Child Work Campaign**

On Friday, 20 October 2023, the Authority hosted 20 boy learners from Olievenhoutbosch Secondary School in Gauteng for “Take A Boy Child to Work Campaign”. The campaign is targeted at Grade 8 to 12 South African boys’ learners in an aim to afford them an opportunity to visit a workplace and to experience first-hand information, the corporate world and various career opportunities available within private security industry and the public sector at large.

◆ **Donation to the Bhengu Family**



On the 26th of October 2023, the Authority visited the Bhengu family in Nkandla to try an offer assistance to a family of a security officer who was blessed with quadruplets. As a caring organisation that always strive to give back to its community, the Authority donated nappies and formulas estimated to last atleast six months as according to Mr Sizwe, he spends an amount of R3500.00 monthly for formula and nappies. The total cost of the items was **R40 000**.

15. Audit and risk committee report

The Committee is pleased to present its report for the financial year ended 31 March 2024.

Audit and Risk Committee members and attendance of meetings.

| Name | Qualification | Designation | # of Ordinary Meetings | # of Special Meetings | Total Meetings Attended |
|--------------------|---|--------------------|------------------------|-----------------------|-------------------------|
| Mr A.N Mhlongo*** | B. Com (Hons), ATC, ACMA, CGMA and CA (SA) | Chairperson | 3 | 1 | 4 |
| Ms. U. Exner** | B. Com (Informatics), CGEIT, and EDP | Deputy Chairperson | 5 | 2 | 7 |
| Mr. M. Matlwa*** | B. Com, B. Compt (Hons), CTA, CA(SA), MBA and MCOM(Tax) | Member | 1 | 1 | 2 |
| Ms. L. Mudau | B. Com, B. Com (Hons), M. Com and CA (SA) | Member | 5 | 1 | 6 |
| Ms. G. Ramphaka*** | B. Accountancy (Hons), B. Com and CA (SA) | Member | 2 | 2 | 4 |
| Mr. P. Ravhudzulo* | B. Com, B. Compt (Hons) and CA (SA) | Member | 1 | 0 | 1 |

*Interim appointment to fill vacancy for the committee to remain fully constituted at a minimum for the extended period of the term.

**Acting Chairperson from January 2024

*** Term of office expired 31 December 2023

Audit and Risk Committee Responsibility

The Audit Committee reports that it has complied with its responsibilities arising from Section 77 of the Public Finance Management Act and Treasury Regulation 3.1.13. The Audit Committee also reports that it has adopted appropriate formal terms of reference as its Charter, has conducted its affairs in compliance with this charter and has discharged all its responsibilities as contained therein as informed by its annual plan (programme).

The Effectiveness of Internal Control

The systems of internal control are designed to provide assurance that the entity's assets are safeguarded, and that liabilities and working capital are efficiently managed in the execution of the mandate of the entity.

During the period under review, the Committee regularly reviewed and monitored Management's reporting on the continued implementation and improvement of internal controls to ensure sustainability on the operations of the entity. The Committee however, noted that despite efforts that Management had put in place, some control deficiencies were identified during the regulatory audits which resulted in the annual financial statements being qualified. The Committee continues to provide guidance to both Management and Internal Auditors on the development and review of audit action plans to ensure that the audit findings could be resolved for improved internal control environment into the 2024/25 financial year.

The Committee is supported by an independent outsourced Internal Audit function which provides the Committee and Management with independent and objective assurance on the appropriateness and effectiveness of the internal control environment within PSiRA while identifying the risks that the entity might face in the execution of its mandate for Management to develop and implement mitigating measures. The overall internal control environment opinion of internal auditors gave the Committee assurance and confidence that Management was able to identify the correct root causes of the findings and therefore, correct audit action plans for implementation to resolve the findings during the period under review.

Whilst the Committee is satisfied with the progress being made by Management to enhance the effectiveness of the internal control environment in the audited areas, it had however, noted some persistent delays with resolution of some of the findings which had resulted in the entity being selected for Material Irregularity (MI) process in the prior year. Some significant progress had been made to clear the material irregularity, but complete delivery of the services remains to be realised by the service provider whose contract had since been stopped until full services are delivered.

Internal Auditors had during the year under review, conducted audits in the following areas in accordance with the approved Internal Audit Coverage Plan:

- ♦ Unaudited Annual Performance Information – 2022/23;
- ♦ Unaudited Financial Statements Compliance Review – 2022/23;
- ♦ Information and Communication Technology – Follow up Review on previous findings;
- ♦ Compliance and Enforcement, including follow-up review on previous findings;
- ♦ Communication, Registrations, Training and Research;
- ♦ Review of Performance Information reporting Q2 and Q3;
- ♦ Review of Annual Performance Plan for 2024/25;
- ♦ Supply Chain and Expenditure Management – all thresholds;

- ♦ Human Capital Management;
- ♦ Internal Financial Controls; and
- ♦ Follow Up on Internal and External Audit Findings from 2022/23.

The Committee is assured from the Internal Auditors' overall conclusions that from the samples tested and results of the audit work performed for the year under review the entity's internal control environment requires improvement. The Committee will continue to review and monitor implementation of the audit action plan to ensure improvement of the internal control environment throughout the organisation.

Risk Management

The Committee also plays an oversight role on risk management processes within the Authority, and it's supported by the Risk Management Committee at an operational level, which is however, chaired by an external independent risk management professional.

The Audit and Risk Committee continued to monitor and review Management's implementation of risk mitigation measures for the strategic risks as identified at the beginning of the financial year and is pleased that the targeted output indicator at 90% of implementation of the risk mitigations was exceeded by 3%. The Committee has also noted that the achievement of 93% implementation of the risk mitigations is consistent with the achievements of output indicators under the Annual Performance Plan 2023/24 at 92%.

The risks that remain significant for the entity had been carried over to the next financial year with Management taking the responsibility through the Risk Management Committee to identify other mitigating measures for implementation and to continue monitoring the risks from escalating to levels above the tolerance level as set by Council. The Committee is assured that the monitoring of the liquidity risk which had since been brought under control, will continue to ensure no recurrence of the going concern issues that the entity had experienced in previous years.

The Committee also continues to monitor the

implementation of the risk management strategy and plan, and the fraud prevention plan. Quarterly reports in these areas are reviewed and monitored for appropriate and timely resolution of reported cases, including the Fraud Hotline cases. Compliance with legislation is also a standing agenda item at the meetings of the Committee, and monitoring is through reporting under the PFMA and Governance Compliance Checklist.

In-Year Management and Quarterly Report

The Committee has reviewed quarterly reports and managements accounts (financial reports) for the entity at each quarterly meeting before submission to Council for approval. The Committee is satisfied that these reports represented an accurate performance in terms of the operations of the entity as confirmed by the results of internal audit reviews.

Governance Processes

The Committee is satisfied with the established governance processes within the entity and continues to obtain assurance from the internal audit function that these processes are aligned to good governance practices and remain relevant for improved internal control environment. The Committee is therefore, satisfied that PSiRA governance processes and structures continue to support improved sustainable operations of the entity.

Evaluation of the Report on Predetermined Objectives

The Committee has reviewed and evaluated the performance information report on predetermined objectives before the audit process and was satisfied with the reported performance against predetermined objectives of the entity, which is at 92% achievement. The Committee is pleased that the audit outcome in this area confirmed the results as presented by Management before the audit with no findings recorded during the audit.

Evaluation of Financial Statements

The Committee has reviewed the annual financial statements prepared by Management, including the appropriateness of accounting policies and the accuracy of the reported financial information. Internal audits provided assurance, but audit findings led to material adjustments that were not resolved in time, resulting in a qualified opinion on the financial statements.

Audit Findings and Recommendations

For the financial year ending 31 March 2024, the audit outcome regressed to a qualified opinion due to issues with prior period error notes and inaccuracies in the cash flow statements. Significant misstatements remained uncorrected, and there were non-compliance issues with Section 55(1) of the PFMA, and deficiencies in internal controls, particularly in financial record keeping and revenue management. The Committee emphasizes the need for rigorous implementation of recommendations to strengthen internal controls, ensure accurate financial statement preparation, and improve revenue collection processes.

The Effectiveness of Internal Control

The Committee regularly reviewed and monitored Management's efforts to improve internal controls. Despite some progress, control deficiencies persisted with the root cause being IT systems data migration, leading to the qualified audit opinion. The Committee continues to guide Management and Internal Auditors to resolve these issues and enhance the internal control environment to improve the integrity of the migrated data.

Auditor-General's Report

The Committee has reviewed the entity's implementation of the audit action plan on issues raised in the prior year and is assured that the plan continues to be implemented, and that there is progress in addressing the findings. The Committee has also reviewed and discussed with the AGSA and the Management of the entity, the audited annual financial statements to be included in the annual report, AGSA's Management report and Management's response thereto, and the

adjustments resulting from the audit. The Committee is satisfied that audit adjustments/corrections have been incorporated into the final annual financial statements of the entity for the 2023/24 financial year, and that corrective actions would be implemented by Management going forward, to address the root causes of the corrected material misstatements and the unresolved audit findings.

The Committee is not pleased that the opinion of the Auditors is qualified due to unavailability of sufficient appropriate audit evidence. The Committee's intervention for alternative means to be considered by AGSA with Management to resolve the qualified opinion could not assist due to time constraints for the amount of information that Management needed to work on for it to be audited. Although there are areas that require further attention to deliver an absolute positive report given the improvements needed, the committee remains confident in the leadership of the executive committee and remains committed to oversee and monitor that the remaining challenges are addressed accordingly. The Committee would also like to thank the AGSA for the support and guidance during the audit with improvements in their processes having been noted and appreciated.

The Committee, therefore, welcomes and appreciates the conclusions of the Auditor-General on the annual financial statements and the report on predetermined objectives, and recommends that the annual financial statements and the report on predetermined objectives read together with the report of the Auditor-General, should be accepted.



Ms. Ulandi Exner

Acting Chairperson: Audit and Risk Committee

Date: 31 July 2024

B-BBEE compliance performance information

| Criteria | Response Yes/No | Discussion |
|---|--------------------|--|
| Determining qualification criteria for the issuing of licences, concessions, or other authorisations in respect of economic activity in terms of any law? | NO | As a regulatory body, PSiRA among other things, issues registration certificates to eligible security services providers. Currently the qualifying criteria applied is that which is determined in terms of the Legislation (PSIR Act 56 of 2001). However, the Authority is developing considerations regarding the registration requirements. The considerations would allow previously disadvantaged persons to apply for temporary licenses to enable them to seek work and be compliant with the tender terms of reference. |
| Developing and implementing a preferential procurement policy? | YES | PSiRA has developed a Supply Chain Management Policy that caters for preferential procurement with corresponding templates, evaluation criteria and frameworks to ensure that the imperatives of B-BBEE are achieved and complied with. |
| Determining qualification criteria for the sale of state-owned enterprises? | NO | PSiRA is a public entity and recognised as such in terms of Schedule 3A of the Public Finance Management Act. We do not partake in such sales as an entity. However, if we were to participate in such sales, the Supply Management Policy referred to above will assist, particularly in reference to the B-BBEE requirements. |
| Developing criteria for entering partnerships with the private sector? | NO | PSiRA entered into memorandums of understanding with various institutions in the public and private sector and the criteria are determined on a case by case to align with the objective of the collaboration and the Authority's mandate. |
| Determining criteria for the awarding of incentives, grants, and investment schemes in support of Broad Based Black Economic Empowerment? | NO | The award of incentives, grants and investments is not the core activity of PSiRA. However, PSiRA does make investments in the form of bursary awards to staff and corporate social responsibilities that would target previously disadvantaged individuals and institutions such as schools etc. |





Part D:

Human Capital Management

1. Introduction

The Human Capital Management (HCM) department at PSiRA is crucial in making the Authority an employer of choice. The department works closely with leadership to support the organisation's success through strategic workforce initiatives and teamwork.

Their main goal is to help the Authority achieve its strategic mission while ensuring employees are engaged and motivated. The HCM's success is measured by its ability to align processes with the strategic mission and effectively address any issues.

In moving ahead, HCM has aligned its operational initiatives with the Authority's Strategic Plan by identifying ways to utilise, develop, or employ technologies to enhance internal efficiencies.

The Human Capital Management (HCM) function is essential for defining and promoting key organisational elements. It enables sustainable value creation and supports the Authority's agenda. This encompasses our positive impact on employee engagement, working environment, workforce wellbeing, diversity and inclusion, ongoing investment in talent development, and fair and transparent compensation philosophy.

The Human Capital Management department acts as a strategic business partner, supporting the organisation by implementing the most effective human capital management practices and systematic processes. This ensures that PSiRA achieves its strategic mandate cost-effectively and efficiently. During the reporting period, the HC function focused on driving the following initiatives:

Improvements were implemented in the talent acquisition processes and policies to enhance both the quality of sourced talent and the turnaround

times for talent acquisition at PSiRA;

The setting up of the Employment Equity Committee, with a specific focus on establishing achievable employment equity targets to achieve the Employment Equity plan;

Human Capital Management policies were revised during the financial year to ensure they align with best practices and changes in legislation;

PSiRA's organisational structure was reviewed to enhance its ability to regulate the private security industry and achieve strategic objectives;

Conducted salary benchmark surveys for executive positions and staff and commissioned job analysis and grading for the entire organisation's positions, and the outcomes will be considered in the new financial year.

Implementation of a hybrid working model framework, including remote work, to address the challenges brought about by the pandemic.

The organisation is committed to fostering a high-performance culture and aims to enhance this further by using a paperless performance management system integrated with its Human Resource Information System.

2. Human Capital Management

2.1 Composition of staff per programme

At the end of the 2023/24 financial year, the Authority had **355** employees, against the staff establishment of approved 375 positions. Below is a summary of the staff complement per programme.

Table 1.1: Staff composition according to programmes (Permanent staff)

| PROGRAMME | NUMBER OF PERMANENT STAFF MEMBERS |
|----------------------------|-----------------------------------|
| Law Enforcement | 198 |
| Finance and Administration | 116 |
| Training and Communication | 27 |
| Registrations | 14 |
| Total | 355 |

Table 1.2: Contracts and Interns' Composition

| Programme | Employees on a fixed-term contract | Interns | Total |
|----------------------------|------------------------------------|---------|-------|
| Law Enforcement | 0 | 4 | 4 |
| Finance and Admin | 6 | 11 | 17 |
| Training and Communication | 9 | 2 | 11 |
| Registrations | 12 | 0 | 12 |
| Total | 27 | 17 | 44 |

2.2. Employment Equity (EE)

2.2.1. Equity target and employment equity status

PSiRA has made a deliberate effort to comply with the Employment Equity Act (EEA) (No. 55 of 1998) as amended. In accordance with the relevant provisions of the EEA, the Authority's five-year Employment Equity Plan was submitted to the Department of Employment & Labour for review.

In compliance with this Act, PSiRA's human capital practices provide equal employment opportunities to the designated population in the labour market by adhering to equal opportunity and affirmative action principles.

In the 2023/24 financial year, the equity ratio for female and male representation is 57 % and 42 %, respectively. People with disabilities represent 0,5% of the Authority's staff. To achieve the legislated target at the end of the plan, the Authority will increase its efforts for employees to declare their disabilities or in the recruitment of disabled persons by giving priority to qualifying disabled applicants for vacant positions and development opportunities.

The table below illustrates the progress towards achieving the identified targets in the current EE Plan across different occupational categories and provides recommendations to accelerate the attainment of the set targets.

Table 1.3: Male Employment Equity Target

| Levels | MALE | | | | | | | |
|------------------------|------------|------------|----------|----------|----------|----------|----------|----------|
| | African | | Coloured | | Indian | | White | |
| | Current | Target | Current | Target | Current | Target | Current | Target |
| Top Management | 1 | 3 | 0 | 0 | 0 | 0 | 1 | 0 |
| Senior Management | 6 | 6 | 0 | 0 | 1 | 1 | 2 | 2 |
| Professional qualified | 8 | 9 | 0 | 0 | 2 | 1 | 1 | 0 |
| Skilled | 48 | 48 | 2 | 2 | 1 | 1 | 4 | 4 |
| Semi-skilled | 72 | 76 | 1 | 1 | 0 | 2 | 0 | 0 |
| Unskilled | 2 | 2 | 0 | 0 | 0 | 0 | 0 | 0 |
| TOTAL | 137 | 144 | 3 | 3 | 4 | 5 | 8 | 6 |

Table 1.4: Female Employment Equity Target

| Levels | Female | | | | | | | |
|------------------------|------------|------------|----------|-----------|----------|----------|----------|----------|
| | African | | Coloured | | Indian | | White | |
| | Current | Target | Current | Target | Current | Target | Current | Target |
| Top Management | 3 | 4 | 0 | 0 | 0 | 0 | 0 | 0 |
| Senior Management | 2 | 3 | 0 | 1 | 0 | 0 | 0 | 0 |
| Professional qualified | 13 | 15 | 0 | 0 | 0 | 1 | 0 | 0 |
| Skilled | 44 | 50 | 3 | 3 | 2 | 0 | 3 | 3 |
| Semi-skilled | 112 | 116 | 6 | 6 | 1 | 2 | 5 | 5 |
| Unskilled | 9 | 9 | 0 | 0 | 0 | 1 | 0 | 0 |
| TOTAL | 183 | 197 | 9 | 10 | 3 | 4 | 8 | 8 |

Table 1.5: Employment Equity Target (People living with disability)

| Levels | Disabled Staff | | | |
|------------------------|----------------|----------|----------|----------|
| | Male | | Female | |
| | Current | Target | Current | Target |
| Top Management | | | 1 | |
| Senior Management | | | | |
| Professional qualified | | | | |
| Skilled | | | | |
| Semi-skilled | | 1 | 1 | 2 |
| Unskilled | | | | |
| TOTAL | | 1 | 2 | 2 |

2.2.2 Explanation of variances and attempts made to address the variances

PSiRA is classified as the designated employer (in terms of section 41 (1) of the Employment Equity Act No. 55 of 1998) (EEA). In compliance with the (EEA), PSiRA has undertaken the following compliance stance:

- ♦ Appointment of the Employment Equity Committee (which is representative of all genders, races and employees with disabilities across all its occupational categories) and meets quarterly.
- ♦ Appointment of a Section 24 Employment Equity Manager in accordance with the requirement of the EEA.
- ♦ PSiRA has an approved 5-year Employment Equity (EE) Plan, which commenced from 01 May 2022 and will run until 30 April 2027 (EE plan has a national and provincial equity representation).
- ♦ HCM, through the Employment Equity Committee, monitors the EE plan, and it is reviewed periodically (i.e. monthly, quarterly and annually) in line with the latest results of Economically Active Population (EAP), which the Department of Employment and Labour releases through the achievement of the set targets in the plan.

The above information shows that as per the set equity targets per Economically Active Population (EAP) statistics, males are highly represented at senior management level. Therefore, the plan to address the imbalance has been developed and highly targets the following priorities:

- i. Appointment of female employees at the senior management level.
- ii. The appointment of persons with disabilities in one of the three top occupational levels and any suitable junior levels. If direct recruitment does not yield the desired outcomes, HCM will liaise with organisations working with people living with disabilities to assist in organising the candidates. In addition, the Authority has approached organisations representing organisations with disabilities to assist in the reasonable accommodation of people with disabilities and recruitment of suitable candidates.
- iii. The lack of representation of coloured male employees at all levels concerns the Authority, and measures have been put in place to ensure representativity in this category by constantly being on the lookout for suitable applicants so that they are prioritised in filling the prioritised posts.

2.3 Personnel related expenditure

Personnel expenditure constitutes 49% of the Authority's budget, which provides for remuneration and other additional benefits paid to employees. The Authority views these expenses as fundamental factors in attracting, motivating, and retaining high performers. In addition, PSiRA uses the Paterson Grading System to determine the post levels in its structure. To this effect, different occupational levels within the structure are compensated in line with the Paterson Grading System and PSiRA's internal policies.

Table 1.6: Personnel cost per programme against the total expenditure

Personnel Cost per Programme 2023/2024

| Programme/ activity/ objective | Total expenditure for the entity | Personnel Expenditure | Personnel exp. as a % of total exp. | No. of employees | Average personnel cost per employee |
|--------------------------------------|-------------------------------------|--------------------------|---|---------------------|--|
| Law Enforcement | R148 414 481 | R113 103 320 | 76 % | 198 | R571 229 |
| Finance & Admin | R91 408 | R103 791 728 | 37 % | 116 | R894 756 |
| Training & Comms | R37 461 247 | R20 048 700 | 54 % | 27 | R742 544 |
| Registration | R26 376 099 | R7 022 041 | 27 % | 14 | R501 574 |
| | R 494 343 232 | R243 965 789 | 49% | 355 | R2 710 104 |

Table 1.7: Personnel cost per programme against the total expenditure

| Level | Personnel Expenditure (R'000) | % of personnel exp. to total personnel cost (R'000) | No. of employees | Average personnel cost per employee (R'000) |
|------------------------|-------------------------------------|--|---------------------|---|
| Top Management | 19 427 042 | 8 | 5 | 3 885 408 |
| Senior Management | 17 333 219 | 7 | 11 | 1 575 747 |
| Professional qualified | 34 004 211 | 14 | 24 | 1 416 842 |
| Skilled | 92 464 855 | 38 | 107 | 864 158 |
| Semi-skilled | 75 608 918 | 31 | 197 | 383 802 |
| Unskilled | 5 127 545 | 2 | 11 | 466 140 |
| TOTAL | R 243 965 789,00 | 100,00 | 355 | R 8 592 097 |

2.4. Employment and vacancies

PSiRA Human Capital Division always makes a point of filling vacant posts within a reasonable time to avoid disruptions in its operations. The vacancy rate is calculated based on the approved posts per the year's annual staffing plan.

PSiRA appointed an additional twenty-two (22) employees on different occupational levels in 2023/24 FY to increase its human capital and ensure the effective achievement of its strategic mandate. Some of these positions were filled through the promotion of internal staff members in line with the succession and retention strategy.

The table below represents the number of the posts as per the establishment, positions which are vacated and filled:

Table 1.8: Employment and vacancies per programme (Full-time employees)

| Programme/activity/objective | 2022/2023 No. of Employees | 2023/2024 Approved Posts | 2023/2024 No. of Employees | 2023/2024 Vacancies | % of vacancies |
|------------------------------|----------------------------------|--------------------------------|----------------------------------|------------------------|-------------------|
| Law Enforcement | 184 | 202 | 198 | 4 | 2% |
| Finance and Admin | 108 | 125 | 116 | 9 | 7.8% |
| Training and Communication | 28 | 31 | 27 | 4 | 14.8% |
| Registrations | 13 | 17 | 14 | 3 | 21.4% |
| Total | 333 | 375 | 355 | 20 | 5.6% |

Table 1.9: Employment and vacancies per occupational levels

| Programme/activity/objective | 2022/2023 No. of Employees | 2023/2024 Approved Posts | 2023/2024 No. of Employees | 2023/2024 Vacancies |
|------------------------------|-------------------------------|-----------------------------|-------------------------------|------------------------|
| Top Management | 6 | 6 | 5 | 1 |
| Senior Management | 11 | 12 | 11 | 1 |
| Professional qualified | 19 | 24 | 24 | 0 |
| Skilled | 102 | 119 | 106 | 13 |
| Semi-skilled | 184 | 203 | 198 | 5 |
| Unskilled | 11 | 11 | 11 | 0 |
| TOTAL | 333 | 375 | 355 | 20 |

2.5 Annual employment turnover

During the financial year under review, twenty-one (21) employment contracts of permanently employed employees from different programs were terminated. The effective implementation of the retention and succession measures has been instrumental in attaining low turnover levels. The exit interviews conducted do not reflect anything undesirable on the employer's part. On the contrary, most employees have left the organisation for promotions and other opportunities elsewhere. The Exit Interviews report reflects the consolidated information provided by employees during the interviews and will be used by management to improve areas where the departing employees mention matters of concern. The leading concerns raised are as follows:

- ♦ Personal Development
- ♦ Career Development and promotion opportunities

Table 1.10: Annual turnover per occupational level (Only permanently employed staff)

| Salary Band | Employment at the beginning of the period. | Appointments | Terminations | Employment at the end of the period |
|------------------------|--|--------------|--------------|-------------------------------------|
| Top Management | 6 | 0 | 1 | 5 |
| Senior Management | 11 | 0 | 0 | 11 |
| Professional qualified | 19 | 6 | 1 | 24 |
| Skilled | 109 | 9 | 12 | 106 |
| Semi-skilled | 198 | 7 | 7 | 198 |
| Unskilled | 11 | 0 | 0 | 11 |
| Total | 354 | 22 | 21 | 355 |

Table 1.11: Reasons for termination (Permanent and contract)

| Reason | Number | % of total no. of staff leaving |
|---------------------------|-----------|---------------------------------|
| Death | 1 | 4.76% |
| Resignation | 17 | 81% |
| Dismissal – Misconduct | 2 | 9.52% |
| Retirement | 0 | 0 |
| Ill health | 0 | 0 |
| Expiry of contract | 0 | 0 |
| Other (Mutual Separation) | 1 | 4.76% |
| Total | 21 | 100 |

3. Learning and Development

3.1. Skills development and training

As part of Human Capital, learning and development is a strategic tool that is utilised by the Authority to achieve its goals and equip its employees with skills to ensure efficient and effective service delivery. The Authority also prioritises talent management through attracting, developing, and retaining the right employees to contribute to its objectives' success. In this regard, the Authority continues to uphold itself as a learning organisation, fostering an organisation development culture.

During the 2023/2024 financial year, the Authority collaborated with Tshwane University of Technology (TUT), private training providers and the Safety and Security Sector Education and Training Authority (SASSETA) to implement learning programmes within PSiRA. The collaborations between PSiRA and the aforementioned institutions resulted in an enhanced and progressive learning environment.

Furthermore, the Authority's learning and development initiatives are aligned with the objectives of the Skills Development Act No. 98 of 1998, the National Skills Development Strategy and the Sector Skills Plan. In accordance with the provisions of the aforesaid prescripts, PSiRA continues to submit its Workplace Skills Plan (WSP) to SASSETA yearly without fail.

During the year under review, PSiRA, in collaboration with SASSETA, implemented the following programmes for unemployed learners:

- ♦ An internship programme with twenty-three (23) learners for a period of 12 months, that ended in December 2023.
- ♦ A Work Integrated Learning Programme with (twenty-four) (24) learners for a period of 18 months, ending December 2024.

A) Study bursaries

The Authority awarded study bursaries to forty-two (42) of its employees in line with the PSiRA's Study Bursary Policy, to pursue formal qualifications at different levels as follows:

Table 1.12: Bursaries granted to staff for the 2023/24 financial year

| Programme | Number of Employees | Gender | |
|--------------------------|---------------------|-----------|-----------|
| | | Male | Female |
| 12-month short programme | 1 | 1 | 0 |
| Higher Certificates | 1 | 0 | 1 |
| Undergraduates | 28 | 9 | 19 |
| Postgraduates/Honours | 10 | 4 | 6 |
| Masters | 2 | 2 | 0 |
| TOTAL | 42 | 16 | 26 |

B) Training and development per programme

The Authority implemented 44 short skills programmes targeted at its employees.

The table below represents the number of individual permanent employees trained on short skills programmes during the period under review, excluding training for interns, contract employees, and study bursaries.

Table 1.13: Expenditure towards training and development of staff

| Programme/ Business Unit | Personnel Expenditure (R'000) | Training Expenditure (R'000) | Training Expenditure as a % of Personnel Cost. | No. of employees trained | Avg training cost per employee |
|-----------------------------|-------------------------------|------------------------------|--|--------------------------|--------------------------------|
| Law Enforcement | 113 103 320,00 | 427 468,09 | 0.4% | 108 | 3 958.04 |
| Finance and Admin | 103 791 728,00 | 287 063,11 | 0.3% | 90 | 3 189.59 |
| Training and Communication | 20 048 700,00 | 60 999,98 | 0.3% | 21 | 2 904.76 |
| Registration | 7 022 041,00 | 28 269,79 | 0.4% | 10 | 2 826.98 |
| Total | 243 965 789,00 | 803 800.97 | 0.3% | 229 | 3 510.05 |

C) Financial Aid for children of security officers

During the 2023/2024 financial year, the Authority advertised financial aid for children of security officers pursuing or wishing to pursue studies at Public and Private institutions across South Africa. A total of 27 learners whose parents are appointed as security officers in the private security industry were awarded financial aid for their studies, with qualifications ranging from Legal, Business Administration, Finance and Humanities at a total cost of R538 165.84.

The below table depicts the NQF level of the funded studies:

Table 1.14: Financial Aid to Children of Security Officers actively involved in the private security sector

| NQF Level | Number of Learners | Gender | |
|--------------------|--------------------|-----------|----------|
| | | F | M |
| N6 | 3 | 1 | 2 |
| NQF 3 | 2 | 2 | |
| NQF 5 | 2 | 1 | 1 |
| NQF 6 | 2 | 2 | |
| NQF 7 | 16 | 12 | 4 |
| NQF 8 | 2 | 2 | |
| Grand Total | 27 | 20 | 7 |

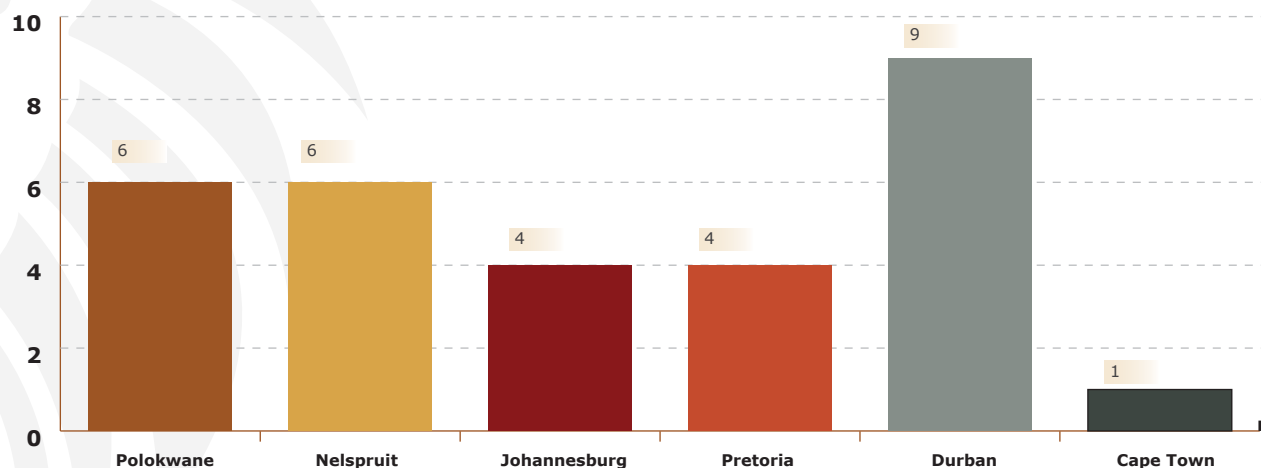
3.2. Youth programmes

Youth Programmes are seen as one of the contributions in which PSiRA is partaking towards the National Development Plan (NDP) goals by empowering and creating employment for the South African youth. During the 2023/2024 Financial Year, PSiRA effectively implemented the following five (5) Youth Programmes with the intent to develop the youth’s knowledge, performance and skills.

A) 30 TUT learners on a work integrated learning programme

PSiRA signed MoU with TUT to provide students who are studying a Diploma in Policing with practical work experience. In September 2023, 30 TUT students were placed within the PSiRA Law Enforcement division for two months as part of the practical programme. The learners were placed at the following regional offices:

TUT work integrated learning placement per region



The programme progressed well, and was completed with learners issued a certificate of In Service from PSiRA.

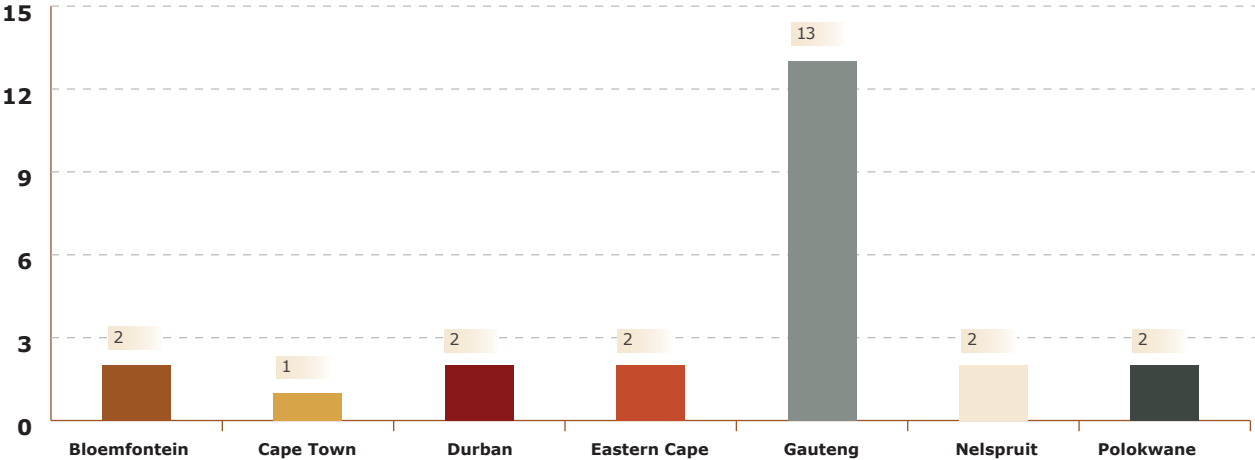
B) 23 interns on a SASSETA-funded internship programme

PSiRA, in partnership with SASSETA, appointed twenty-three (23) learners on a 12-month fixed-term contract. The interns received a monthly stipend sponsored by SASSETA and structured according to their qualifications. The gender fragment among the interns is 10 Males and 13 females.

C) 24 learners on a SASSETA-Funded Work Integrated Learning (WIL) programme

PSiRA in partnership with SASSETA, appointed twenty-four (24) learners on an 18-month fixed-term contract. The interns received a monthly stipend sponsored by SASSETA and structured according to their qualifications. The gender fragment among the interns is 5 males and 19 females. The below table reflects the placements of the interns per region/department:

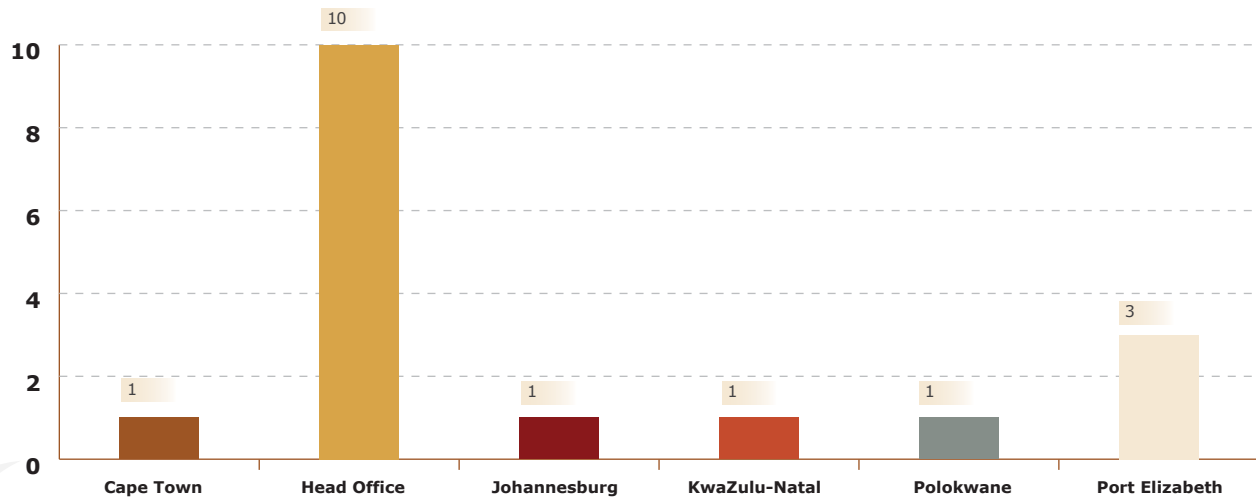
PSiRA WIL placement per region/office



D) 17 interns on a PSiRA internship programme

PSiRA appointed seventeen (17) interns in 2023/24 FY on a 12-month fixed-term contract. The interns receive a monthly stipend from PSiRA that is structured according to their qualifications. The gender fragment among the interns is 4 males and 13 females. The table below reflects the placements of the interns per region/department:

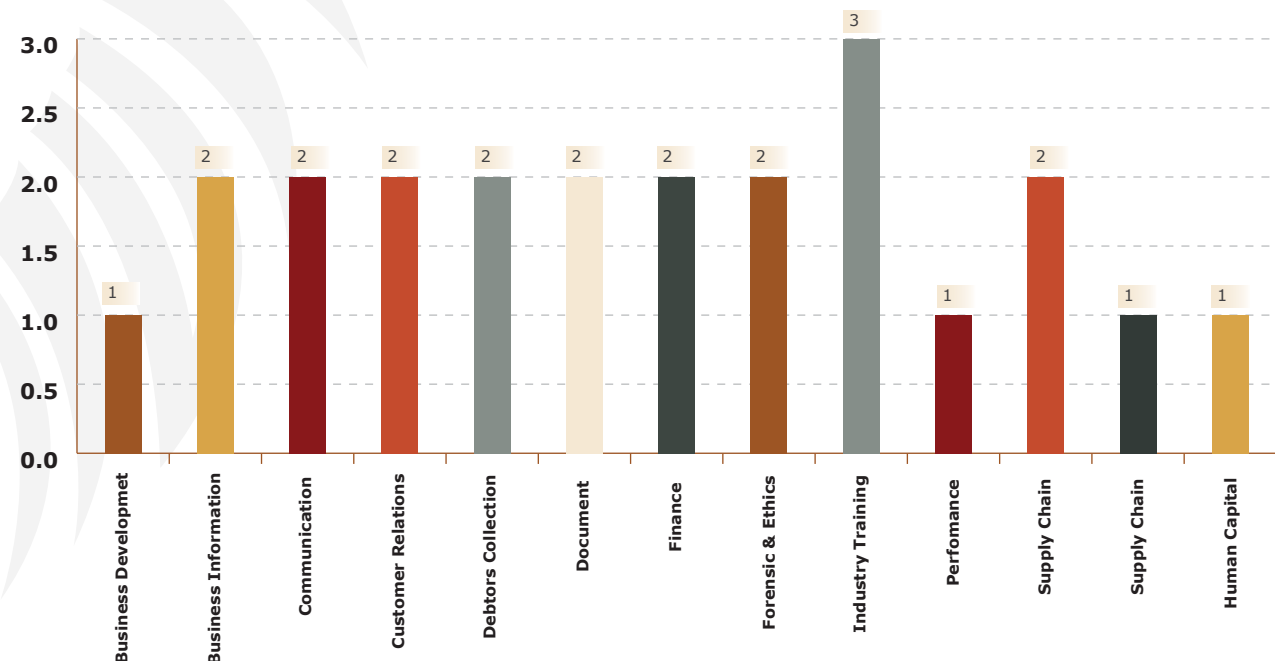
PSiRA internship placement per region



E) YES programme

PSiRA appointed twenty-three (23) learners on a 12-month YES programme fixed-term contract. The learners receive a monthly stipend sponsored by PSiRA and structured according to their qualifications. The gender fragment among the interns is 9 males and 14 females. The below table reflects the placements of YES learners per department.

YES placement per department



4. Labour relations management

4.1. Management of labour relations

PSiRA values its human capital as an important and valuable asset. As a result, management always endeavours to establish a harmonious and productive working environment conducive to achieving its mandate. In return, management strives to provide and maintain favorable working conditions and constructive and cordial employer-employee relationships. One of the tools management relies on is reinforcing the cordial employer-employee relationship through an approved Disciplinary and Grievance Policy.

This policy is in place for employees who experience any feelings of dissatisfaction on matters arising out of employment that require the formal attention of management; it helps to address any matters of mutual interest harmoniously.

The year under review was particularly challenging as serious disciplinary matters flared up. This set of circumstances required innovative solutions and tighter controls. This was achieved by working closely with the Forensics and Ethics Unit to reduce the turnaround time of investigations and subsequent disciplinary action.

4.2 Disciplinary matters, disputes, and grievances finalised for the FY 2023/24

PSiRA has an approved Disciplinary and Grievance Policy in place to undertake corrective and progressive disciplinary to eradicate deviant behaviour in the workplace. Management administers discipline not as a punitive measure but as a corrective action to identify misalignment between employee workplace actions and the organisation's values. Measures and progressive disciplinary actions are taken against PSiRA's employees who do not adhere to its code of conduct, its core values and/or the required performance standards. The table below depicts information regarding the disciplinary action taken during the year under review:

Table 1.15: Disciplinary matters finalised

| Nature of disciplinary action | Number Of Incidents | Finalised | Pending |
|-------------------------------|---------------------|-----------|---------|
| Verbal Warning | 2 | 2 | 0 |
| Written Warning | 0 | 0 | 0 |
| Final Written warning | 4 | 4 | 0 |
| Disciplinary Hearing | 3 | 2 | 1 |
| Dismissal | 2 | 2 | 0 |
| Total | 11 | 10 | 1 |

These corrective actions were undertaken as a result of misconduct-related issues ranging from dereliction of duty, absenteeism, dishonesty, and failure to carry out lawful instruction.

Disputes

Two disputes regarding unfair dismissal and benefits were undertaken and were both finalised in favour of the Authority.

Labour Court Matters

During the review period, two disputes were referred to the labour court for review. One of the matters involved an employee seeking to interdict the disciplinary enquiry process, and this was finalised in favour of the Authority. The other matter, relating to the review of the CCMA award, is still pending finalisation.

Grievances

No grievance lodged during the period under review.

5. Employee Assistance Programme (EAP)

The Authority strives to promote a working environment that has a healthy work-life balance and is committed to investing in programmes that enable its employees to improve their health and wellbeing. The Employee Assistance Program (EAP) is one of the programmes designed to assist employees with resolving problems that might unpleasantly impact their emotional, psychological, work and social environments. To maintain the wellbeing of employees, PSiRA appointed the Centre for Occupational and Wellness Services (Health1st) as an EAP provider in December 2023.

The implementation of EAP promotes a healthy work-life balance in the work environment by assisting employees in resolving challenges that might impact their work, social, psychological, and emotional wellbeing. The EAP support services are free to PSiRA employees and their families and accessible through different easy-access platforms. The EAP counselling service includes the following:

- ◆ Family & relationship problems
- ◆ Parenting & step-parenting
- ◆ Major transitions and decisions (marriage, New baby, divorce, relocation, job changes, Retrenchment retirement)
- ◆ Work-related issues
- ◆ Debt management, financial advice
- ◆ Living within your means
- ◆ Grief and loss: death of a loved one
- ◆ Alcohol or drug use/abuse
- ◆ Stress, anxiety or depression
- ◆ Trauma
- ◆ Legal information & referral
- ◆ Communication problems & Unresolved conflicts
- ◆ Healthy lifestyle maintenance
- ◆ Chronic Disease Management

6. Leave utilisation

PSiRA believes in leave utilisation and allows employees to utilise paid time off from work for the purpose of having regular breaks so that they can rest and re-energise. It is proven that employees who take leave from work can be more motivated and perform more effectively than those who do not. On the same note, employees are compelled to take at least 10 consecutive annual leave days during the leave cycle to ensure that they have enough rest, ultimately leading to staff wellbeing.

PSiRA's Leave Policy is in line with the relevant Labour-related legislation and provides leave days to allow employees to rest. The Human Capital Management Department manages the leave through Employee Self Service (WEBSS).

The table below shows the summary utilisation of leave utilisation.

Table: 1.16 Leave Utilisation

| Programs | Number of employees | Annual | Sick | Family | Totals | AVE. Per employee |
|-----------------------------------|----------------------------|------------------|----------------|---------------|------------------|--------------------------|
| Law Enforcement | 198 | 3044,6505 | 739,5 | 156,5 | 3940,6505 | 19 |
| Finance and Admin | 116 | 2064,0998 | 566,5 | 126.5 | 2757,0998 | 23 |
| Training and Communication | 27 | 540,55 | 106,05 | 47 | 763,05 | 28 |
| Registration | 14 | 235,8 | 106,05 | 31 | 372,85 | 26 |
| Total | 355 | 5885,1003 | 1587,55 | 361 | 7833,6503 | 22 |







Part E:

Financial Information

Report of the auditor-general to Parliament on Private Security Industry Regulatory Authority

Report on the audit of the financial statements

Qualified opinion

1. I have audited the financial statements of the Private Security Industry Regulatory Authority (PSiRA) set out on pages 143 to 194, which comprise the statement of financial position as at 31 March 2024, statement of financial performance, statement of changes in net assets, cash flow statement and statement of comparison of budget and actual amounts for the year then ended. Notes to the financial statements as well as a summary of significant accounting policies.
2. In my opinion, except for the effects and possible effects of the matters described in the basis for qualified opinion section of this auditor's report, the financial statements present fairly, in all material respects, the financial position of the PSiRA as at 31 March 2024. Financial performance and cash flows for the year then ended in accordance with the Standard of Generally Recognised Accounting Practice and the requirements of the Public Finance Management Act 1 of 1999 (PFMA).

Basis for qualified opinion

Prior period errors

3. I was unable to obtain sufficient appropriate audit evidence for the restatement of the prior corresponding amounts. As described in note 23 to the financial statements, the entity restated the amount of payables from exchange transactions, as stated in note 12 to the financial statements. The restatement was made to rectify a prior year misstatement, but the restatement could not be substantiated by supporting audit evidence. I was unable to confirm these restatements by alternative means. Consequently, I was unable to determine whether any adjustments were necessary to the prior period errors disclosed in the financial statements.

Net cash flows from operating activities

4. Net cash flows from operating activities was not correctly prepared and disclosed as required by Standards of GRAP 2, Cash flow statements. This was due to multiple errors in determining cash flows from operating activities. I was not able to determine the full extent of the errors in the net cash flows from operating activities, as it was impracticable to do so. Consequently, I was unable to determine whether any adjustments to cash flows from operating activities and cash generated from operations as stated at R1 09 372 005 (2023: R79 969 588) in the financial statements were necessary.

Context for opinion

5. I conducted my audit in accordance with the International Standards on Auditing (ISAs). My responsibilities under those standards are further described in the responsibilities of the auditor-general for the audit of the financial statements section of my report.
6. I am independent of the entity in accordance with the International Ethics Standards Board for Accountants' International code of ethics for professional accountants (including International Independence Standards) (IESBA code) as well as other ethical requirements that are relevant to my audit in South Africa. I have fulfilled my other ethical responsibilities in accordance with these requirements and the IESBA code.
7. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my qualified opinion.

Emphasis of matter

8. I draw attention to the matter below. My opinion is not modified in respect of this matter.

Material impairments and losses – trade receivables

9. As disclosed in note 9 to the financial statements, material impairment to the amount of R127 142 978 were provided for trade receivables and are potentially irrecoverable.

Furthermore, as stated in the same note to the financial statement, material losses of R 14 271 942 were incurred as a result of a write-off of irrecoverable trade debtors.

Responsibilities of the accounting authority for the financial statements

10. The accounting authority is responsible for the preparation and fair presentation of the financial statements in accordance with the Standard of Generally Recognised Accounting Practice (GRAP) and the requirements of the PFMA and for such internal control as the accounting authority determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.
11. In preparing the financial statements, the accounting authority is responsible for assessing the entity's ability to continue as a going concern; disclosing, as applicable, matters relating to going concern; and using the going concern basis of accounting unless the appropriate governance structure either intends to liquidate the public entity or to cease operations or has no realistic alternative but to do so.

Responsibilities of the auditor-general for the audit of the financial statements

12. My objectives are to obtain reasonable assurance on whether or not the financial statements are free from material misstatement, whether due to fraud or error; and to issue an auditor's report that includes my opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with the ISAS will always detect a material misstatement when it exists.

Misstatements can arise from fraud or error and are considered material if, individually or in aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

13. A further description of my responsibilities for the audit of the financial statements is included in the annexure to this auditor's report. This description, which is located at page 149, forms part of my auditor's report.

Report on the annual performance report

14. In accordance with the Public Audit Act 25 of 2004 (PAA) and the general notice issued in terms thereof, I must audit and report on the usefulness and reliability of the reported performance information against predetermined objectives for the selected material performance indicators presented in the annual performance report. The accounting authority is responsible for the preparation of the annual performance report.
15. I selected the following material performance indicators related to law enforcement presented in the annual performance report for the year ended 31 March 2024. I selected indicators that measure the public's performance on its primary mandated functions and that are of significant national, community or public interest.
 - ◆ Number of security businesses inspected to enforce compliance with Private Security Industry Regulation Act (2001)
 - ◆ Number of security officers inspected to enforce compliance with Private Security Industry Regulation Act (2001)
 - ◆ Number of security businesses licensed for firearms inspected
 - ◆ Percentage complaints finalised through an investigation against security service providers
 - ◆ Percentage of cases of non-compliant SSPs successfully prosecuted per year
16. I evaluated the reported performance information for the selected material performance indicators against the criteria

developed from the performance management and reporting framework, as defined in the general notice. When an annual performance report is prepared using these criteria, it provides useful and reliable information and insights to users on the public entity's planning and delivery on its mandate and objectives.

17. I performed procedures to test whether:

- ♦ The indicators used for planning and reporting on performance can be linked directly to the entity's mandate and the achievement of its planned objectives
- ♦ All the indicators relevant for measuring the entity's performance against its primary mandated and prioritised functions and planned objectives are included
- ♦ The indicators are well defined to ensure that they are easy to understand and can be applied consistently, as well as verifiable so that I can confirm the methods and processes to be used for measuring achievements
- ♦ The targets can be linked directly to the achievement of the indicators and are specific, time bound and measurable to ensure that it is easy to understand what should be delivered and by when, the required level of performance as well as how performance will be evaluated
- ♦ The indicators and targets reported on in the annual performance report are the same as those committed to in the approved initial or revised planning documents
- ♦ The reported performance information is presented in the annual performance report in the prescribed manner
- ♦ There is adequate supporting evidence for the achievements reported and for the reasons provided for any over-achievement of targets.

18. I performed the procedures to report material findings only; and not to express an assurance opinion or conclusion.

19. I did not identify any material findings on the reported performance information for the selected indicators.

Report on compliance with legislation

20. In accordance with the PAA and the general notice issued in terms thereof, I must audit

and report on compliance with applicable legislation relating to financial matters, financial management and other related matters. The accounting authority is responsible for the entity's compliance with legislation.

21. I performed procedures to test compliance with selected requirements in key legislation in accordance with the findings engagement methodology of the Auditor-General of South Africa (AGSA). This engagement is not an assurance engagement. Accordingly, I do not express an assurance opinion or conclusion.

22. Through an established AGSA process, I selected requirements in key legislation for compliance testing that are relevant to the financial and performance management of the entity, clear to allow consistent measurement and evaluation, while also sufficiently detailed and readily available to report in an understandable manner. The selected legislative requirements are included in the annexure to this auditor's report.

23. The material findings on compliance with the selected legislative requirements, presented per compliance theme, are as follows:

Annual financial statements and annual performance report

24. The financial statements submitted for auditing were not prepared in accordance with the prescribed financial reporting framework and supported by full and proper records, as required by section 55(1)(a) and (b) of the PFMA.

25. Material misstatements of disclosure items identified by the auditors in the submitted financial statements were corrected, but the uncorrected material misstatements and supporting records that could not be provided resulted in the financial statements receiving a qualified opinion.

Revenue management

26. Effective and appropriate steps were not taken to collect all revenue due, as required by section 51(1)(b)(i) of the PFMA.

Other information in the annual report

27. The accounting authority is responsible for the other information included in the annual report. The other information referred to does not include the financial statements, the auditor's report and those selected material indicators in the scoped-in programme presented in the annual performance report that have been specifically reported on in this auditor's report.
28. My opinion on the financial statements, the report on the audit of the annual performance report and the report on compliance with legislation do not cover the other information included in the annual report and I do not express an audit opinion or any form of assurance conclusion on it.
29. My responsibility is to read this other information and, in doing so, consider whether it is materially inconsistent with the financial statements and the selected material indicators in the scoped-in programme presented in the annual performance report or my knowledge obtained in the audit, or otherwise appears to be materially misstated.
30. I did not receive the other information prior to the date of this auditor's report. When I do receive and read this information, if I conclude that there is a material misstatement therein, I am required to communicate the matter to those charged with governance and request that the other information be corrected. If the other information is not corrected, I may have to retract this auditor's report and re-issue an amended report as appropriate. However, if it is corrected this will not be necessary.

Internal control deficiencies

31. I considered internal control relevant to my audit of the financial statements, annual performance report and compliance with applicable legislation; however, my objective was not to express any form of assurance on it.
32. The matters reported below are limited to the significant internal control deficiencies that resulted in the basis for the qualified opinion, and the material findings on compliance with legislation included in this report.

33. Management did not implement adequate revenue collection processes to ensure that all monies due to the entity are collected as required by PFMA.
34. Management did not implement adequate internal controls to ensure the preparation of accurate financial statements.

Material irregularities

35. In accordance with the PAA and the Material Irregularity Regulations, I have a responsibility to report on material irregularities identified during the audit

Material irregularity identified during the audit

36. The material irregularity identified are as follows:

Payment for training service not received

37. Resources of the entity were not utilised economically, as required by section 57(b) of the PFMA.
38. PSiRA entered a contract with a supplier on the 7 May 2019, for the provision of end-user computer skills training. The contract is to the value of R80 062 877. The entity made advance payments of R56 644 013 in two transactions (Invoice number PS1001 dated 3 May 2019 for R2 000 000, and invoice PS1002 dated 2 October 2019 for R54 644 013) before the commencement of the actual training.
39. As at 31 March 2023, the supplier had still not delivered the services which are equivalent to the value of the amount paid in advance. Official(s) of the entity did not implement adequate contract management processes to ensure that the service provider delivered the training service to the learners, as was agreed in the Service Level Agreement. This amount is likely to result in material financial loss, if not recovered.
40. The accounting authority was notified on the 21 August 2023 and responded to the notification

on 18 September 2023. The accounting authority has developed a project plan to recover the financial loss suffered by the entity. In addition, the accounting authority implemented the following action to address the matter:

- ♦ The accounting authority and the supplier signed an acknowledgement of debt on 13 September 2023.
 - ♦ The service provider has trained the remaining learners with the outstanding amount that was paid in advance.
 - ♦ The accounting authority appointed a service provider to conduct forensic investigation on the 24 November 2023. The investigation is still ongoing.
41. The accounting authority is committed to have continuous engagements with the relevant authority to ensure that all trained learners receive the accreditation certificate as required by the contract.
42. I will follow up on the progress of these actions during my next audit.

Auditor General

Pretoria
31 July 2024



A U D I T O R - G E N E R A L
S O U T H A F R I C A

Auditing to build public confidence

Annexure to the auditor's report

The annexure includes the following:

- ♦ The auditor-general's responsibility for the audit
- ♦ The selected legislative requirements for compliance testing

Auditor-General's responsibility for the audit

Professional judgement and professional scepticism

As part of an audit in accordance with the ISAs, I exercise professional judgement and maintain professional scepticism throughout my audit of the financial statements and the procedures performed on reported performance information for selected material performance indicators and on the entity's compliance with selected requirements in key legislation.

Financial statements

In addition to my responsibility for the audit of the financial statements as described in this auditor's report, I also:

- ♦ Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error; design and perform audit procedures responsive to those risks; and obtain audit evidence that is sufficient and appropriate to provide a basis for my opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control
- ♦ Obtain an understanding of internal control relevant to the audit 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

- ♦ Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made
- ♦ Conclude on the appropriateness of the use of the going concern basis of accounting in the preparation of the financial statements. I also conclude, based on the audit evidence obtained, whether a material uncertainty exists relating to events or conditions that may cast significant doubt on the ability of the entity to continue as a going concern. If I conclude that a material uncertainty exists, I am required to draw attention in my auditor's report to the related disclosures in the financial statements about the material uncertainty or, if such disclosures are inadequate, to modify my opinion on the financial statements. My conclusions are based on the information available to me at the date of this auditor's report. However, future events or conditions may cause an entity to cease operating as a going concern
- ♦ Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and determine whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

Communication with those charged with governance

I communicate with the accounting authority regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that I identify during my audit.

I also provide the accounting authority with a statement that I have complied with relevant ethical requirements regarding independence and communicate with them all relationships and other matters that may reasonably be thought to bear on my independence and, where applicable, actions taken to eliminate threats or safeguards applied.

Compliance with legislation - selected legislative requirements

The selected legislative requirements are as follows:

| Legislation | Sections or regulations |
|--|--|
| Public Finance Management Act 1 of 1999 | Section 51(1)(b)(i); 51(1)(b)(ii); 51(1)(e)(iii); 53(4); Section 54(2)(c); 54(2)(d); 55(1)(a); 55(1)(b); Section 55(1)(c)(i); 56(1); 57(b); 66(3)(c) |
| Treasury Regulations, 2005 | Regulation 8.2.1; 8.2.2; 16A3.2; 16A3.2(a); Regulation 16A6.1; 16A6.2(a); 16A6.2(b); Regulation 16A6.3(a); 16A6.3(a); 16A6.3(b); Regulation 16A6.3(c); 16A6.3(e); 16A6.4; 16A6.5; Regulation 16A6.6; 16A.7.1; 16A.7.3; 16A.7.6; Regulation 16A.7.7; 16A8.3; 16A8.4; 16A9.1(b (ii); Regulation 16A 9.1(d); 16A9.1(e); 16A9.1(f); Regulation 16A9.2; 16A9.2(a)(ii); 30.1.1; 30.1.3(a); Regulation 30.1.3(b); 30.1.3(d); 30.2.1; 31.2.1; Regulation 31.2.5; 31.2.7(a); 32.1.1(a); 32.1.1(b); Regulation 32.1.1(c); 33.1.1; 33.1.3 |
| Construction Industry Development Board Act 38 of 2000 | Section 18(1) |
| Construction Industry Development Board Regulations, 2004 | Regulation 17; 25(7A) |
| Second amendment National Treasury Instruction No. 5 of 202/21 | Paragraph 1 |
| Erratum National Treasury Instruction No. 5 of 202/21 | Paragraph 2 |
| National Treasury instruction No 5 of 2020/21 | Paragraph 4.8; 4.9; 5.3 |
| National Instruction No. 1 of 2021/22 | Paragraph 4.1 |
| National Instruction No. 4 of 2015/16 | Paragraph 3.4 |
| National Treasury SCM Instruction No. 4A of 2016/17 | Paragraph 6 |
| National Treasury SCM Instruction No. 03 of 2021/22 | Paragraph 4.1; 4.2(b), 4.3; 4.4; 4.4(a),4.17; 7.2; Paragraph 7.6 |
| National Treasury SCM Instruction No. 1 1 of 2020/21 | Paragraph 3.4(a); 3.4(b); 3.9 |
| National Treasury SCM Instruction No. 2 of 2021 /22 | Paragraph 3.2.1; 3.2.4; 3.2.4(a); 3.3.1 |
| Practice Note 1 1 of 2008/9 | Paragraph 2.1; 3.1 (b) |
| Practice Note 5 of 2009/10 | Paragraph 3.3 |
| Practice Note 7 of 2009/10 | Paragraph 4.1.2 |
| Preferential Procurement Policy Framework Act 5 of 2000 | Section 1; 2.1 2.1 (f) |
| Preferential Procurement Regulations, 2022 | Regulation 4.1; 4.2; 4.3; 4.4; 5.1 ; 5.2; 5.3; 5.4 |
| Preferential Procurement Regulations, 2017 | Regulation 4.1; 4.2; 5.1; 5.3; 5.6; 5.7; 6.1 ; 6.2; 6.3; Regulation 6.5; 6.6; 6.8; 7.1; 7.2; 7.3; 7.5; 7.6; 7.8; Regulation 8.2; 8.5; 9.1; 9.2; 10.1; 10.2; 1 1.1; 11.2 |
| Prevention and Combating of Corrupt Activities Act 12 of 2004 | Section 34(1) |

Accounting Authority's Responsibilities and Approval

The Accounting Authority is required by the Private Security Industry Regulation Act (Act no. 56 of 2001), to maintain adequate accounting records and is 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 Accounting Authority 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 annual financial statements have been prepared in accordance with Standards of Generally Recognised Accounting Practice (GRAP) including any interpretations, guidelines and directives issued by the Accounting Standards Board.

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

The Accounting Authority acknowledges 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 Accounting Authority to meet these responsibilities, the Accounting Authority 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 PSiRA and all employees are required to maintain the highest ethical standards in ensuring PSiRA's business is conducted in a manner that in all reasonable circumstances is above reproach. The focus of risk management in PSiRA is on identifying, assessing, managing and monitoring all known forms of risk across PSiRA. While operating risk cannot be fully eliminated, 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 Accounting Authority 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 Accounting Authority has reviewed PSiRA's cash flow forecast for the year to 31 March 2025 and, in the light of this review and the current financial position, they are satisfied that PSiRA has access to adequate resources to continue in operational existence for the foreseeable future.

The annual financial statements set out on page 5, which have been prepared on the going concern basis, were approved by the accounting authority on 30 July 2024 and were signed on its behalf by:



**Accounting Authority
Chairperson of Council**

Private Security Industry Regulatory Authority

Annual Financial Statements for the year ended 31 March 2024

Accounting Authority's Report

The member submits his report for the year ended 31 March 2024.

1. Nature of Business

The Private Security Industry Regulatory Authority (PSiRA) is a Schedule 3A public entity established in terms of the Private Security Industry Regulation Act (Act no.56 of 2001) to regulate the private security industry and to exercise effective control over the practice of the occupation of security service providers in the public and national interest and in the interest of the private security industry itself. PSiRA is under the Executive Authority of the Department of Police.

2. Going concern

At the time of preparation of the annual financial statements for the period under review, the Council believed that PSiRA will be a going concern in the foreseeable future. For this reason, they continue to adopt a going concern basis in the preparation of these annual financial statements. For further details on going concern refer to note 25.

3. Accounting policies

The annual financial statements were prepared in accordance with the Standards of Generally Recognised Accounting Practices (GRAP), including any interpretations, guidelines and directives issued by the Accounting Standards Board.

4. Corporate governance

Council

The members of the Council during the financial year were:

- ♦ **Dr. A.L. Shibambo** (Chairperson) appointed 01 January 2021 (Current)
- ♦ **Mr. M.S. Ralebipi** (Deputy Chairperson) appointed 01 January 2021 to 31 March 2024
- ♦ **Mr. H.N. Ngubane** (Council member) appointed

01 January 2021 to 31 March 2024

- ♦ **Dr. S.N. Mbete** (Council Member) appointed 01 January 2021 to 31 March 2024
- ♦ **Ms. T. Ntshangase** (Council member) appointed 01 January 2021 to 31 March 2024

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

Chairperson and Director

The roles of Chairperson and Director are separate, with responsibilities divided between them, so that no individual has unfettered powers of discretion.

Audit and Risk Committee

The Audit and Risk committee charter govern the activities of the Audit and Risk committee. Appointed by the Council, the committee met six times in the current financial year. The Audit and Risk Committee is chaired by an independent person who is neither an executive nor a Council member of PSiRA. Committee meetings are attended by members of the Auditor General's office and the internal auditors as invitees.

The members of the committee during the financial year were:

- ♦ Mr N Mhlongo (Chairperson) appointed 15 April 2021 to 31 December 2023
- ♦ Ms U Exner (Deputy Chairperson) appointed 15 April 2021 (Current)
- ♦ Mr M Matlwa (Audit and Risk Committee member) appointed 15 April 2021 to 31 December 2023
- ♦ Ms L Mudau (Audit and Risk Committee member) appointed 15 April 2021 (Current)
- ♦ Ms G Ramphaka (Audit and Risk Committee member) appointed 15 April 2021 to 31 December 2023
- ♦ Mr. P Ravhudzulo (Audit and Risk Committee member) appointed 01 January 2024 (Current)

Private Security Industry Regulatory Authority

Annual Financial Statements for the year ended 31 March 2024

Accounting Authority's Report

4. Corporate governance (continued)

Internal audit

The internal audit function is outsourced. It functions according to the Internal Audit Standards guided by the Internal Audit Charter and under the oversight of the Audit and Risk Committee. The internal audit measures and evaluates the effectiveness and application of policies, procedures, systems, and processes designed to fulfil the requirements of the risk management, and general compliance with legislation, governance principles, regulation and the safeguarding of assets. In the year under review the internal audit plan focused on core business, supply chain management, human resources, financial management and performance management.

Private Security Industry Regulatory Authority

Annual Financial Statements for the year ended 31 March 2024

Statement of Financial Position as at 31 March 2024

| Figures in Rand | Note(s) | 2024 | 2023 Restated* |
|-------------------------------------|---------|--------------------|--------------------|
| Assets | | | |
| Current Assets | | | |
| Inventories | 8 | 2 349 442 | 1 583 628 |
| Trade receivables | 9 | 81 886 898 | 64 398 653 |
| Prepayments | 30 | 3 815 103 | 31 558 129 |
| Other receivables | 7 | 16 583 593 | 13 359 970 |
| Cash and cash equivalents | 10 | 306 650 588 | 217 995 673 |
| | | 411 285 624 | 328 896 053 |
| Non-Current Assets | | | |
| Property, plant and equipment | 3 | 28 915 294 | 21 623 585 |
| Intangible assets | 4 | 2 377 792 | 472 583 |
| Work in progress asset | 6 | 14 543 623 | 10 826 168 |
| | | 45 836 709 | 32 922 336 |
| | | 457 122 333 | 361 818 389 |
| Liabilities | | | |
| Current Liabilities | | | |
| Operating lease liability | 5 | 791 642 | - |
| Payables from exchange transactions | 12 | 78 064 483 | 66 086 231 |
| Provisions | 11 | 5 684 372 | 5 215 740 |
| UIF liability | 29 | 20 551 710 | 54 666 989 |
| | | 105 092 207 | 125 968 960 |
| Non-Current Liabilities | | | |
| Operating lease liability | 5 | 3 674 680 | 3 615 785 |
| | | 108 766 887 | 129 584 745 |
| | | 348 355 446 | 232 233 644 |
| Net Assets | | | |
| Reserves | | | |
| Revaluation reserve | | 12 075 133 | 9 148 966 |
| Accumulated surplus | | 336 280 309 | 223 084 678 |
| | | 348 355 442 | 232 233 644 |

Private Security Industry Regulatory Authority

Annual Financial Statements for the year ended 31 March 2024

Statement of Financial Performance

| Figures in Rand | Note(s) | 2024 | 2023 Restated* |
|---|---------|----------------------|----------------------|
| Revenue | | | |
| Revenue from exchange transactions | | | |
| Sale of goods | 13 | 44 677 552 | 28 626 810 |
| Rendering of services | 13 | 2 082 006 | 1 545 593 |
| Interest received (trading) | 13 | 18 977 882 | 8 244 560 |
| Annual fees | 13 | 254 616 945 | 214 167 447 |
| Infrastructure re-assessment | 13 | 442 830 | 406 300 |
| Registration fees | 13 | 105 111 022 | 66 105 268 |
| Course reports | 13 | 131 478 735 | 101 360 073 |
| Bad debts recovered | 13 | 475 296 | 1 095 767 |
| Interest received - investment | 13 | 22 575 447 | 10 175 041 |
| Total revenue from exchange transactions | | 580 437 715 | 431 726 859 |
| Revenue from non-exchange transactions | | | |
| Transfer revenue | | | |
| Sundry income | 13 | 1 896 401 | 6 594 078 |
| Fines and penalties | 13 | 25 204 750 | 14 126 704 |
| Total revenue from non-exchange transactions | | 27 101 151 | 20 720 782 |
| Total revenue | 13 | 607 538 866 | 452 447 641 |
| Expenditure | | | |
| Employee related costs | 14 | (243 965 789) | (207 899 682) |
| Depreciation and amortisation | 3&4 | (10 718 564) | (6 730 114) |
| Finance costs | 15 | (9 749) | (2 940) |
| Lease rentals on printing equipment | | (1 846 290) | (1 068 211) |
| Impairment on trade debtors | 9 | (60 461 253) | (27 862 086) |
| Repairs and maintenance | | (4 411 811) | (2 915 104) |
| Loss on disposal of assets | 3 | (10 325) | (132 957) |
| Other operating expense | 16 | (172 919 451) | (136 137 013) |
| Total expenditure | | (494 343 232) | (382 748 107) |
| Surplus for the year | | 113 195 634 | 69 699 534 |

Private Security Industry Regulatory Authority

Annual Financial Statements for the year ended 31 March 2024

Statement of Changes in Net Assets

| Figures in Rand | Revaluation reserve | Accumulated surplus / deficit | Total net assets |
|--|---------------------|-------------------------------|--------------------|
| Balance at 01 April 2022 | 9 148 966 | 121 797 811 | 130 946 777 |
| Changes in net assets Surplus for the year | - | 69 699 534 | 69 699 534 |
| Prior year adjustments | - | 31 587 336 | 31 587 336 |
| Balance at 01 April 2023 as restated* | 9 148 966 | 223 084 675 | 232 233 641 |
| Changes in net assets Surplus for the year | - | 113 195 634 | 113 195 634 |
| Change in revaluation surplus | 2 926 167 | - | 2 926 167 |
| Balance at 31 March 2024 | 12 075 133 | 336 280 309 | 348 355 442 |

Private Security Industry Regulatory Authority

Annual Financial Statements for the year ended 31 March 2024

Cash Flow Statement

| Figures in Rand | Note(s) | 2024 | 2023 Restated* |
|---|---------|---------------------|---------------------|
| Cash flows from operating activities | | | |
| Receipts | | | |
| Cash Received from Regulatory Services | | 508 798 251 | 417 447 457 |
| Interest income | | 22 575 447 | 10 175 041 |
| UIF receipts | | 1 740 137 | 1 163 502 |
| | | 533 113 835 | 428 786 000 |
| Payments | | | |
| Employee costs | | (245 103 857) | (211 538 760) |
| Suppliers | | (172 955 647) | (137 140 849) |
| Finance costs | | (9 749) | (2 940) |
| UIF Related Costs | | (5 672 577) | (133 863) |
| | | (423 741 830) | (348 816 412) |
| Net cash flows from operating activities | 18 | 109 372 005 | 79 969 588 |
| Cash flows from investing activities | | | |
| Purchase of property, plant and equipment | 3 | (10 246 472) | (7 411 825) |
| Purchase of other intangible assets | 4 | (6 753 168) | (471 484) |
| Purchase of work in progress (online system) | 6 | (3 717 450) | (4 260 500) |
| Net cash flows from investing activities | | (20 717 090) | (12 143 809) |
| Net increase/(decrease) in cash and cash equivalents | | 88 654 915 | 67 825 779 |
| Cash and cash equivalents at the beginning of the year | | 217 995 673 | 150 169 895 |
| Cash and cash equivalents at the end of the year | 10 | 306 650 588 | 217 995 674 |

Private Security Industry Regulatory Authority

Annual Financial Statements for the year ended 31 March 2024

Statement of Comparison of Budget and Actual Amounts

| Budget on Cash Basis | | | | | | |
|---|----------------------|-------------|----------------------|------------------------------------|--|-----------|
| Figures in Rand | Approved budget | Adjustments | Final Budget | Actual amounts on comparable basis | Difference between final budget and actual | Reference |
| Revenue | | | | | | |
| Revenue from exchange transactions | | | | | | |
| Sale of goods | 31 876 680 | - | 31 876 680 | 44 677 552 | 12 800 872 | +40% |
| Rendering of services | 3 047 344 | - | 3 047 344 | 2 082 006 | (965 338) | -32% |
| Interest received (trading) | 3 500 000 | - | 3 500 000 | 18 977 882 | 15 477 882 | +442% |
| Annual fees | 215 255 603 | - | 215 255 603 | 254 616 945 | 39 361 342 | +18% |
| Infrastructure re-assessment | 2 563 320 | - | 2 563 320 | 442 830 | (2 120 490) | -83% |
| Registration fees | 59 205 672 | - | 59 205 672 | 105 111 022 | 45 905 350 | +78% |
| Course reports | 104 356 540 | - | 104 356 540 | 131 478 735 | 27 122 195 | +26% |
| Bad debts recovered | 2 000 000 | - | 2 000 000 | 475 296 | (1 524 704) | -76% |
| Interest received - investment | 4 000 000 | - | 4 000 000 | 22 575 447 | 18 575 447 | +464% |
| Total revenue from exchange transactions | 425 805 159 | - | 425 805 159 | 580 437 715 | 154 632 556 | |
| Revenue from non-exchange transactions | | | | | | |
| Transfer revenue | | | | | | |
| Sundry income | 908 000 | - | 908 000 | 1 896 401 | 988 401 | +109% |
| Fines and penalties | 26 000 000 | - | 26 000 000 | 25 204 750 | (795 250) | -3% |
| Total revenue from non-exchange transactions | 26 908 000 | - | 26 908 000 | 27 101 151 | 193 151 | |
| Total revenue | 452 713 159 | - | 452 713 159 | 607 538 866 | 154 825 707 | |
| Expenditure | | | | | | |
| Employee related cost | (220 273 000) | - | (220 273 000) | (243 965 789) | (23 692 789) | +11% |
| Depreciation and amortisation | (14 597 000) | - | (14 597 000) | (10 718 564) | 3 878 436 | -27% |
| Finance costs | (6 000 000) | - | (6 000 000) | (9 749) | 5 990 251 | -100% |
| Lease rentals on printing equipment | (1 598 845) | - | (1 598 845) | (1 846 290) | (247 445) | +15% |
| Debt Impairment | (18 000 000) | - | (18 000 000) | (60 461 253) | (42 461 253) | +236% |
| Repairs and maintenance | (3 121 000) | - | (3 121 000) | (4 411 811) | (1 290 811) | +41% |
| Other operating expenses | (189 123 314) | - | (189 123 314) | (172 919 451) | 16 203 863 | -9% |
| Loss on disposal of assets | - | - | - | (10 325) | (10 325) | 100% |
| Total expenditure | (452 713 159) | - | (452 713 159) | (494 343 232) | (41 630 073) | |
| Surplus for the year | - | - | - | 113 195 634 | 113 195 634 | |

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Statement of Comparison of Budget and Actual Amounts

| Figures in Rand | Approved budget | Adjustments | Final Budget | Actual amounts on comparable basis | Difference between final budget and actual | Reference |
|--|--------------------|-------------|--------------------|------------------------------------|--|-----------|
| Statement of Financial Position | | | | | | |
| Assets | | | | | | |
| Current Assets | | | | | | |
| Inventories | 1 583 628 | - | 1 583 628 | 2 349 442 | 765 814 | +48% |
| Trade receivables | 66 021 205 | - | 66 021 205 | 81 886 898 | 15 865 693 | +24% |
| Prepayments | 31 558 129 | - | 31 558 129 | 3 815 103 | (27 743 026) | -88% |
| Other receivables | 13 359 970 | - | 13 359 970 | 16 583 593 | 3 223 623 | +24% |
| Cash and cash equivalents | 217 995 673 | - | 217 995 673 | 306 650 588 | 88 654 915 | +41% |
| | 330 518 605 | - | 330 518 605 | 411 285 624 | 80 767 019 | |
| Non-Current Assets | | | | | | |
| Property, plant and equipment | 21 623 585 | - | 21 623 585 | 28 915 294 | 7 291 709 | +34% |
| Intangible assets | 472 583 | - | 472 583 | 2 377 792 | 1 905 209 | +403% |
| Work in progress asset | 10 826 168 | - | 10 826 168 | 14 543 623 | 3 717 455 | +34% |
| | 32 922 336 | - | 32 922 336 | 45 836 709 | 12 914 373 | |
| Total Assets | 363 440 941 | - | 363 440 941 | 457 122 333 | 93 681 392 | |
| Liabilities | | | | | | |
| Current Liabilities | | | | | | |
| Operating lease liability | - | - | - | 791 642 | 791 642 | +100% |
| Payables from exchange transactions | 99 296 119 | - | 99 296 119 | 78 064 483 | (21 231 636) | -21% |
| Provisions | 5 215 740 | - | 5 215 740 | 5 684 372 | 468 632 | +9% |
| UIF liability | 54 666 989 | - | 54 666 989 | 20 551 710 | (34 115 279) | -62% |
| | 159 178 848 | - | 159 178 848 | 105 092 207 | (54 086 641) | |
| Non-Current Liabilities | | | | | | |
| Operating lease liability | 3 615 785 | - | 3 615 785 | 3 674 680 | 58 895 | +2% |
| Total Liabilities | 162 794 633 | - | 162 794 633 | 108 766 887 | (54 027 746) | |
| Net Assets | 200 646 308 | - | 200 646 308 | 348 355 446 | 147 709 138 | |
| Reserves | | | | | | |
| Revaluation reserve | - | - | - | 12 075 133 | 12 075 133 | 100% |
| Accumulated surplus | 200 646 308 | - | 200 646 308 | 336 280 309 | 135 634 001 | +68% |
| Total Net Assets | 200 646 308 | - | 200 646 308 | 348 355 442 | 147 709 134 | |

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Statement of Comparison of Budget and Actual Amounts

Budget on Cash Basis

| Figures in Rand | Approved budget | Adjustments | Final Budget | Actual amounts on comparable basis | Difference between final budget and actual | Reference |
|---|----------------------|-------------|----------------------|------------------------------------|--|-----------|
| Cash Flow Statement | | | | | | |
| Cash flows from operating activities | | | | | | |
| Receipts | | | | | | |
| Cash received from regulatory services | 445 214 149 | - | 445 214 149 | 508 798 251 | 63 584 102 | +14% |
| Interest income | 7 500 000 | - | 7 500 000 | 22 575 447 | 15 075 447 | +201% |
| UIF receipts | - | - | - | 1 740 137 | 1 740 137 | +100% |
| | 452 714 149 | - | 452 714 149 | 533 113 835 | 80 399 686 | |
| Payments | | | | | | |
| Employee costs | (219 971 537) | - | (219 971 537) | (245 103 857) | (25 132 320) | +11% |
| Suppliers | (185 296 463) | - | (185 296 463) | (172 955 647) | 12 340 816 | -7% |
| Finance costs | - | - | - | (9 749) | (9 749) | -100% |
| UIF related cost | - | - | - | (5 672 577) | (5 672 577) | +100% |
| | (405 268 000) | - | (405 268 000) | (423 741 830) | (18 473 830) | |
| Net cash flows from operating activities | 47 446 149 | - | 47 446 149 | 109 372 005 | 61 925 856 | |
| Cash flows from investing activities | | | | | | |
| Purchase of property, plant and equipment | (7 002 000) | - | (7 002 000) | (10 246 467) | (3 244 467) | +46% |
| Purchase of other intangible assets | - | - | - | (6 753 168) | (6 753 168) | 100% |
| Purchase of work in progress asset | (6 754 000) | - | (6 754 000) | (3 717 450) | 3 036 550 | +45% |
| Net cash flows from investing activities | (13 756 000) | - | (13 756 000) | (20 717 085) | (6 961 085) | |
| Net increase/(decrease) in cash and cash equivalents | 33 690 149 | - | 33 690 149 | 88 654 920 | 54 964 771 | |
| Cash and cash equivalents at the beginning of the year | - | - | - | 217 995 673 | 217 995 673 | 0% |
| Cash and cash equivalents at the end of the year | 33 690 149 | - | 33 690 149 | 306 650 593 | 272 960 444 | |

Accounting Policies

1. Presentation of Annual Financial Statements

The annual financial statements of PSiRA have been prepared in accordance with the Standards of Generally Recognised Accounting Practice (GRAP), issued by the Accounting Standards Board in South Africa. The financial statements comply with the Standards of GRAP, interpretations and directives issued.

These annual financial statements have been prepared on an accrual basis of accounting and are in accordance with historical cost convention as the basis of measurement, unless specified otherwise.

Assets, liabilities, revenues and expenses were not offset, except where offsetting is either required or permitted by a Standard of GRAP.

A summary of the significant accounting policies, which have been consistently applied in the reporting of these annual financial statements, are disclosed below. These accounting policies are consistent with the previous period

1.1 Presentation currency

These annual financial statements are presented in South African Rand, which is the functional currency of the entity.

1.2 Going concern assumption

These annual financial statements have been prepared based on the expectation that the entity will continue to operate as a going concern for at least the next 12 months.

1.3 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.

The use of judgement, estimates and assumptions is inherent to the process of preparing annual financial statements. These judgements, estimates and assumptions affect the amounts presented in the annual financial statements. Uncertainties about these estimates and assumptions could result in outcomes that require a material adjustment to the carrying amount of the relevant asset or liability in future periods. Estimates are informed by historical experience, information currently available to management, assumptions, and other factors that are believed to be reasonable under the circumstances. These estimates are reviewed on a regular basis. Changes in estimates that are not due to errors are processed in the period of the review and applied prospectively. In the process of applying these accounting policies, management made the following judgements, which may have a significant effect on the amounts recognised in the financial statements.

Significant judgements include:

Impairment testing

Entity 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.

1.3 Significant judgements and sources of estimation uncertainty (continued)

Provisions

Provisions were raised and management determined an estimate based on the information available. Additional disclosure of these estimates of provisions are included in note 11 - Provisions.

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Accounting Policies

Provisions are recognised when PSiRA has a present legal or constructive obligation as a result of past events; it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation, and a reliable estimate of the amount of the obligation can be made. All the provisions of PSiRA are short-term in nature and thus ignore the effects of discounting. Additional disclosure of these estimates of provisions are included in note 12 - Provisions.

Provisions for performance bonuses

The calculation for the performance bonus provision is based on a pro-rata estimated percentage of total salaries paid to employees.

Provision for impairment of debtors

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.

The determination of this allowance is predisposed to the utilisation of estimates, assumptions and management judgements. In determining this allowance, estimates are made about the probability of recovery of the debtors, based on their past payment history. The provision of impairment is disclosed in Note 12.

Provision for deferred bonuses

The creation of the deferred bonus is based on the prorata amount for qualifying employees. The assumption of the probability amount for qualifying employees leaving the Authority was taken into account in the calculation.

Contingent liabilities

Contingent liabilities are possible obligations that arise 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 control of the entity or a present

obligation that is not recognised because the outflow of economic benefits or service potential is not probable and/or real present obligation that may not be recognised, either because the timing or the measurement is not known.

Depreciation and Amortisation

At the end of each financial year, management assesses whether there is any indication that the PSiRA's expectations about the residual value and the useful life of assets included in the property, plant and equipment have changed since the preceding reporting date. If any such indication exists, the change has been accounted for as a change in accounting estimate in accordance with Standards of GRAP on Accounting Policies, changes in accounting Estimates and errors. The amortisation period and the amortisation method for intangible assets are reviewed at each reporting date.

1.4 Property, plant and equipment

Initial recognition and measurement

Property, plant and equipment are tangible non-current assets (including infrastructure assets) that are held for use in the production or supply of goods or services, rental to others, or for administrative purposes, and are expected to be used during more than one period.

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 entity; and
- The cost of the item can be measured reliably.

Property, plant and equipment is initially measured at cost.

The cost of an item of property, plant and equipment is the purchase price and other costs attributable to bring the asset to the location and condition necessary for it to be capable of operating in the manner intended by management. Trade discounts and rebates are deducted in arriving at the cost.

Accounting Policies

1.4 Property, plant and equipment (continued)

Where an asset is acquired through a non-exchange transaction, its cost is its fair value as at date of acquisition.

Where an item of property, plant and equipment is acquired in exchange for a non-monetary asset or monetary assets, or a combination of monetary and non-monetary assets, the asset acquired is initially measured at fair value (the cost). If the acquired item's fair value was not determinable, it's deemed cost is the carrying amount of the asset(s) given up.

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.

The initial estimate of the costs of dismantling and removing the item and restoring the site on which it is located is also included in the cost of property, plant and equipment, where the entity is obligated to incur such expenditure, and where the obligation arises as a result of acquiring the asset or using it for purposes other than the production of inventories.

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.

Items such as spare parts, standby equipment and servicing equipment are recognised when they meet the definition of property, plant and equipment.

Subsequent measurement

Property, plant and equipment is carried at cost less accumulated depreciation and any impairment losses except for land and buildings which is carried at revalued amount being the fair value at the date of revaluation less any subsequent accumulated depreciation and subsequent accumulated impairment losses.

Revaluations of Land and Buildings are done every 3 years to ensure that the carrying amount does not differ materially from that which would be determined using fair value at the end of the reporting period.

When an item of property, plant and equipment are revalued, any accumulated depreciation at the date of the revaluation is eliminated against the gross carrying amount of the asset and the net amount restated to the revalued amount of the asset.

Any increase in an asset's carrying amount of land and buildings, as a result of a revaluation, is credited directly to a revaluation surplus. The increase is recognised in surplus or deficit to the extent that it reverses a revaluation decrease of the same asset previously recognised in surplus or deficit.

Any decrease in the carrying amount of land and buildings, as a result of a revaluation, is recognised in surplus or deficit in the current period. The decrease is debited directly to a revaluation surplus to the extent of any credit balance existing in the revaluation surplus in respect of that asset.

Property, plant and equipment are depreciated on the straight-line basis over their expected useful lives to their estimated residual value.

The useful lives of items of property, plant and equipment have been assessed as follows:

| Item | Depreciation method | Average useful life |
|------------------------|---------------------|---------------------|
| Land | N/A | Unlimited |
| Buildings | Straight-line | 10-20 years |
| Leasehold property | Straight-line | 5-10 years |
| Furniture and fixtures | Straight-line | 10-15 years |
| Motor vehicles | Straight-line | 5-10 years |
| Office equipment | Straight-line | 5-15 years |
| Computer equipment | Straight-line | 3-10 years |

Accounting Policies

1.4 Property, plant and equipment (continued)

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 is depreciated separately.

The depreciation method used reflects the pattern in which the asset's future economic benefits or service potential are expected to be consumed by the entity. The depreciation method applied to an asset is reviewed at least at each reporting date and, if there has been a significant change in the expected pattern of consumption of the future economic benefits or service potential embodied in the asset, the method is changed to reflect the changed pattern. Such a change is accounted for as a change in an accounting estimate.

Impairment

PSiRA assesses at each reporting date whether there is any indication of any impairment on property plant and equipment. If any such indication exists, the entity revises the expected useful life and/or residual value accordingly. The change is accounted for as a change in an accounting estimate.

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

Derecognition

Items of property, plant and equipment are derecognised when the asset is disposed of or when there are no further economic benefits or service potential expected from the use of the asset.

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.

1.5 Intangible Assets

Initial recognition and measurement

An asset is identifiable if it's either:

- ♦ Is separable, i.e. 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, identifiable assets or liability, regardless of whether the entity intends to do so; or
- ♦ Arises from binding arrangements (including rights from contracts), regardless of whether those rights are transferable or separable from the entity or from other rights and obligations.

An intangible asset is recognised when:

- ♦ It is probable that the expected future economic benefits or service potential that are attributable to the asset will flow to the entity; and
- ♦ The cost or fair value of the asset can be measured reliably.

Intangible assets are initially measured at cost. Where an intangible asset is acquired through a non-exchange transaction, its initial cost at the date of acquisition is measured at its fair value as at that date.

Subsequent measurement

PSiRA assesses the probability of expected future economic benefits or service potential using reasonable and supportable assumptions that represent management's best estimate of the set of economic conditions that will exist over the useful life of the asset.

Intangible assets are carried at cost less any accumulated amortisation and any impairment losses.

Amortisation and impairment

An intangible asset is regarded as having an indefinite useful life when, based on all relevant factors, there is no foreseeable limit to the period

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Accounting Policies

over which the asset is expected to generate net cash inflows or service potential. Amortisation is not provided for these intangible assets, but they are tested for impairment annually and whenever there is an indication that the asset may be impaired. For all other intangible assets amortisation is provided on a straight line basis over their useful life.

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

Reassessing the useful life of an intangible asset with a finite useful life after it was classified as indefinite is an indicator that the asset may be impaired. As a result the asset is tested for impairment and the remaining carrying amount is amortised over its useful life.

Intangible assets are derecognised when the intangible asset is disposed off or when there are no future economic benefits or service potential expected from the use of the asset.

The gain or loss arising from the derecognition of an intangible asset is included in the surplus or deficit. The gain or loss arising from the derecognition of an intangible asset is determined as the difference

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

| Item | Depreciation method | Average useful life |
|-------------------|---------------------|---------------------|
| Computer software | Straight-line | 3-20 years |

between the net disposal proceeds, if any, and the carrying amount of the item.

1.6 Financial instruments

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or a residual interest of another entity.

The amortised cost of a financial asset or financial liability is the amount at which the financial asset or financial liability is measured at initial recognition minus principal repayments, plus or minus the cumulative amortisation using the effective interest method of any difference between that initial amount and the maturity amount, and minus any reduction (directly or through the use of an allowance account) for impairment or uncollectible.

Credit risk is the risk that one party to a financial instrument will cause a financial loss for the other party by failing to discharge an obligation.

Currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates.

Accounting Policies

1.6 Financial instruments (continued)

Derecognition

Derecognition is the removal of a previously recognised financial asset or financial liability from an entity's statement of financial position.

The effective interest method is a method of calculating the amortised cost of a financial asset or a financial liability (or group of financial assets or financial liabilities) and of allocating the interest income or interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments or receipts through the expected life of the financial instrument or, when appropriate, a shorter period to the net carrying amount of the financial asset or financial liability. When calculating the effective interest rate, an entity shall estimate cash flows considering all contractual terms of the financial instrument (for example, prepayment, call and similar options) but shall not consider future credit losses. The calculation includes all fees and points paid or received between parties to the contract that are an integral part of the effective interest rate (see the Standard of GRAP on Revenue from Exchange Transactions), transaction costs, and all other premiums or discounts. There is a presumption that the cash flows and the expected life of a group of similar financial instruments can be estimated reliably. However, in those rare cases when it is not possible to reliably estimate the cash flows or the expected life of a financial instrument (or group of financial instruments), the entity shall use the contractual cash flows over the full contractual term of the financial instrument (or group of financial instruments).

Fair value is the amount for which an asset could be exchanged, or a liability settled, between knowledgeable willing parties in an arm's length transaction.

A financial asset is:

- ♦ Cash;
- ♦ A residual interest of another entity; or

- ♦ A contractual right to:
- ♦ Receive cash or another financial asset from another entity; or
- ♦ Exchange financial assets or financial liabilities with another entity under conditions that are potentially favourable to the entity.

A financial liability is any liability that is a contractual obligation to:

- ♦ Deliver cash or another financial asset to another entity; or
- ♦ Exchange financial assets or financial liabilities under conditions that are potentially unfavourable to the entity.

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates.

Liquidity risk is the risk encountered by an entity in the event of difficulty in meeting obligations associated with financial liabilities that are settled by delivering cash or another financial asset.

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises three types of risk: currency risk, interest rate risk and other price risk.

Other price risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices (other than those arising from interest rate risk or currency risk), whether those changes are caused by factors specific to the individual financial instrument or its issuer, or factors affecting all similar financial instruments traded in the market.

A financial asset is past due when a counterparty has failed to make a payment when contractually due.

Accounting Policies

1.6 Financial instruments (continued)

A residual interest is any contract that manifests an interest in the assets of an entity after deducting all of its liabilities. A residual interest includes contributions from owners, which may be shown as:

- ♦ Equity instruments or similar forms of unitised capital;
- ♦ A formal designation of a transfer of resources (or a class of such transfers) by the parties to the transaction as forming part of an entity’s net assets, either before the contribution occurs or at the time of the contribution; or
- ♦ A formal agreement, in relation to the contribution, establishing or increasing an existing financial interest in the net assets of an entity.

Transaction costs are incremental costs that are directly attributable to the acquisition, issue or disposal of a financial asset or financial liability. An incremental cost is one that would not have been incurred if the entity had not acquired, issued or disposed of the financial instrument.

Financial instruments at amortised cost are non-derivative financial assets or non-derivative financial liabilities that have fixed or determinable payments, excluding those instruments that:

- ♦ The entity designates at fair value at initial recognition; or
- ♦ Are held for trading.

Financial instruments at cost are investments in residual interests that do not have a quoted market price in an active market, and whose fair value cannot be reliably measured.

Financial instruments at fair value comprise financial assets or financial liabilities that are:

- ♦ Combined instruments that are designated at fair value;
- ♦ Instruments held for trading. A financial instrument is held for trading if:
- ♦ It is acquired or incurred principally for the purpose of selling or repurchasing it in the near-term; or

- ♦ On initial recognition it is part of a portfolio of identified financial instruments that are managed together and for which there is evidence of a recent actual pattern of short term profit-taking;
- ♦ Financial instruments that do not meet the definition of financial instruments at amortised cost or financial instruments at cost.

Restricted Cash

- ♦ Restricted cash relates to cash held for the purposes of the UIF skills programme and the cash was received from Unemployment Insurance Fund (UIF).
- ♦ The cash relating to UIF skills programme is identified as restricted as the cash is not available for general use by the entity but is only available to fund future UIF skills programme trainings (End-user computing and Security Training) in accordance with Skills programme SLA concluded between the Authority and Unemployment Insurance Fund (UIF).
- ♦ The Authority through service providers and project managers will carry out the skills programme trainings as per the agreement in the UIF SLA relating to Election observers, End-user computing and Security trainings. The cash balances corresponding to the liability for skills training programme are accordingly not available for general use by the group.
- ♦ Restricted cash balances are included as a component of cash and cash equivalents for the purpose of the statement of cash flows.

PSiRA has the following types of financial assets (classes and category) as reflected on the face of the statement of financial position or in the notes thereto:

| Class | Category |
|-----------------------------|--|
| Cash and cash equivalent | Financial asset measured at fair value |
| Trade and other receivables | Financial asset measured at amortised cost |

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1.6 Financial instruments (continued)

PSiRA has the following types of financial liabilities (classes and category) as reflected on the face of the statement of financial position or in the notes thereto:

| Class | Category |
|--------------------------|--|
| Trade and other payables | Financial liability measured at fair value |

Initial measurement of financial assets and financial liabilities

Entity measures a financial asset and financial liability initially at its fair value plus in case of a financial asset or a liability not subsequently measured at fair value, transaction costs that are directly attributable to the acquisition or issue of the financial asset or financial liability.

Subsequent measurement of financial assets and financial liabilities

PSiRA measures all financial assets and financial liabilities after initial recognition using the following categories:

- ♦ Financial instruments at fair value.
- ♦ Financial instruments at amortised cost.
- ♦ Financial instruments at cost.

All financial assets measured at amortised cost, or cost, are subject to an impairment review.

Impairment and non-collectability of financial assets

PSiRA assesses at the end of each reporting period whether there is any objective evidence that a financial asset or group of financial assets is impaired.

Financial assets measured at amortised cost:

If there is objective evidence that an impairment loss on financial assets measured at amortised cost has been incurred, the amount of the loss is measured as the difference between the asset's carrying amount and the present value of estimated

future cash flows (excluding future credit losses that have not been incurred) discounted at the financial asset's original effective interest rate. The carrying amount of the asset is reduced directly OR through the use of an allowance account. The amount of the loss is recognised in surplus or deficit.

If, in a subsequent period, the amount of the impairment loss decreases and the decrease can be related objectively to an event occurring after the impairment was recognised, the previously recognised impairment loss is reversed directly OR by adjusting an allowance account. The reversal does not result in a carrying amount of the financial asset that exceeds what the amortised cost would have been had the impairment not been recognised at the date the impairment is reversed. The amount of the reversal is recognised in surplus or deficit.

Financial assets measured at cost:

If there is objective evidence that an impairment loss has been incurred on an investment in a residual interest that is not measured at fair value because its fair value cannot be measured reliably, the amount of the impairment loss is measured as the difference between the carrying amount of the financial asset and the present value of estimated future cash flows discounted at the current market rate of return for a similar financial asset. Such impairment losses are not reversed.

Derecognition Financial assets

PSiRA derecognises financial assets using trade date accounting. PSiRA derecognises a financial asset only when:

- ♦ the contractual rights to the cash flows from the financial asset expire, are settled or waived;
- ♦ PSiRA transfers to another party substantially all of the risks and rewards of ownership of the financial asset; or
- ♦ PSiRA, despite having retained some significant risks and rewards of ownership of the financial asset, has transferred control of the asset to another party and the other party has the practical ability to sell the asset in its entirety to an unrelated third party, and is able to exercise that ability unilaterally and without needing to impose additional restrictions on the transfer.

Accounting Policies

1.6 Financial instruments (continued)

In this case, PSiRA:

- ♦ derecognise the asset; and
- ♦ Recognise separately any rights and obligations created or retained in the transfer.

The carrying amounts of the transferred asset are allocated between the rights or obligations retained and those transferred on the basis of their relative fair values at the transfer date. Newly created rights and obligations are measured at their fair values at that date. Any difference between the consideration received and the amounts recognised and derecognised is recognised in surplus or deficit in the period of the transfer.

If PSiRA transfers a financial asset in a transfer that qualifies for derecognition in its entirety and retains the right to service the financial asset for a fee, it recognises either a servicing asset or a servicing liability for that servicing contract. If the fee to be received is not expected to compensate the entity adequately for performing the servicing, a servicing liability for the servicing obligation is recognised at its fair value. If the fee to be received is expected to be more than adequate compensation for the servicing, a servicing asset is recognised for the servicing right at an amount determined on the basis of an allocation of the carrying amount of the larger financial asset.

If, as a result of a transfer, a financial asset is derecognised in its entirety but the transfer results in the entity obtaining a new financial asset or assuming a new financial liability, or a servicing liability, the entity recognise the new financial asset, financial liability or servicing liability at fair value.

On derecognition of a financial asset in its entirety, the difference between the carrying amount and the sum of the consideration received is recognised in surplus or deficit.

If the transferred asset is part of a larger financial asset and the part transferred qualifies for derecognition in its entirety, the previous carrying amount of the larger financial asset is allocated between the part that continues to be recognised

and the part that is derecognised, based on the relative fair values of those parts, on the date of the transfer. For this purpose, a retained servicing asset is treated as a part that continues to be recognised. The difference between the carrying amount allocated to the part derecognised and the sum of the consideration received for the part derecognised is recognised in surplus or deficit.

If a transfer does not result in derecognition because PSiRA has retained substantially all the risks and rewards of ownership of the transferred asset, PSiRA continues to recognise the transferred asset in its entirety and recognise a financial liability for the consideration received. In subsequent periods, PSiRA recognises any revenue on the transferred asset and any expense incurred on the financial liability. Neither the asset, and the associated liability nor the revenue, and the associated expenses are offset.

Financial liabilities

PSiRA derecognises a financial liability (or a part of a financial liability) from its statement of financial position when it is extinguished — i.e. when the obligation specified in the contract is discharged, cancelled, expires or waived.

An exchange between an existing borrower and lender of debt instruments with substantially different terms is accounted for as having extinguished the original financial liability and a new financial liability is recognised. Similarly, a substantial modification of the terms of an existing financial liability or a part of it is accounted for as having extinguished the original financial liability and having recognised a new financial liability.

The difference between the carrying amount of a financial liability (or part of a financial liability) extinguished or transferred to another party and the consideration paid, including any non-cash assets transferred or liabilities assumed, is recognised in surplus or deficit. Any liabilities that are waived, forgiven or assumed by another entity by way of a non-exchange transaction are accounted for in accordance with the Standard of GRAP on Revenue from Non-exchange Transactions (Taxes and Transfers).

Accounting Policies

1.7 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.

When a lease includes both land and buildings elements, the entity assesses the classification of each element separately.

Operating leases - lessor

Operating lease revenue is recognised as revenue on a straight-line basis over the lease term.

Initial direct costs incurred in negotiating and arranging operating leases are added to the carrying amount of the leased asset and recognised as an expense over the lease term on the same basis as the lease revenue.

The aggregate cost of incentives is recognised as a reduction of rental revenue over the lease term on a straight-line basis. The aggregate benefit of incentives is recognised as a reduction of rental expense over the lease term on a straight-line basis. Income from leases is disclosed under revenue in statement of financial performance.

Operating leases - lessee

Operating lease payments are recognised as an expense on a straight-line basis over the lease term. The difference between the amounts recognised as an expense and the contractual payments are recognised as an operating lease asset or liability.

1.8 Inventories

Recognition

Inventories shall be recognised as an asset if, and only if,

- A. It is probable that future economic benefits or service potential associated with the item will flow to the entity; and
- B. The cost of the inventories can be measured reliably.

Measurement at recognition

Inventories that qualify for recognition as assets shall initially be measured at cost.

Where inventories are acquired through a non-exchange transaction, their cost shall be measured at their fair value as at the date of acquisition.

Measurement after recognition

Inventories shall be measured at the lower of cost and net realisable value of inventories.

The cost of inventories shall comprise all costs of purchase, costs of conversion and other costs incurred in bringing the inventories to their present location and condition

The cost of inventories, other than those dealt with in paragraph shall be assigned by using the first-in, first-out Stationery inventory is measured at the lower of cost and current replacement cost.

ID cards inventory is measured at the lower of cost and net realisable value.

Current replacement cost is the cost entity incurs to acquire the asset on the reporting date.

When inventories are sold, the carrying amounts of those inventories are recognised as an expense in the period in which the related revenue is recognised.

Accounting Policies

1.9 Impairment of cash-generating assets

Cash-generating assets are assets used with the objective of generating a commercial return. Commercial return means that positive cash flows are expected to be significantly higher than the cost of the asset.

Impairment is a loss in the future economic benefits or service potential of an asset, over and above the systematic recognition of the loss of the asset's future economic benefits or service potential through depreciation (amortisation).

Carrying amount is the amount at which an asset is recognised in the statement of financial position after deducting any accumulated depreciation and accumulated impairment losses thereon.

A cash-generating unit is the smallest identifiable group of assets used with the objective of generating a commercial return that generates cash inflows from continuing use that are largely independent of the cash inflows from other assets or groups of assets.

Costs of disposal are incremental costs directly attributable to the disposal of an asset, excluding finance costs and income tax expense.

Depreciation (Amortisation) is the systematic allocation of the depreciable amount of an asset over its useful life.

Fair value less costs to sell is the amount obtainable from the sale of an asset in an arm's length transaction between knowledgeable, willing parties, less the costs of disposal.

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. Useful life is either:

- ♦ The period of time over which an asset is expected to be used by the entity; or
- ♦ The number of production or similar units expected to be obtained from the asset by the entity.

1.10 Employee benefits

Defined contribution plans are post employment benefit plans under which PSiRA pays fixed contributions into a separate entity (a fund) and will have no legal or constructive obligation to pay further contributions if the fund does not hold sufficient assets to pay all employee benefits relating to employee service in the current and prior periods.

Short-term employee benefits

When an employee has rendered service to PSiRA during a reporting period, PSiRA recognises the contribution payable to a defined contribution plan in exchange for the service:

- ♦ As a liability (accrued expense), after deducting any contribution already paid. If the contribution already paid exceeds the contribution due for service before the reporting date, PSiRA recognises that excess as an asset (prepaid expense) to the extent that the prepayment will lead to, for example, a reduction in future payments or a cash refund; and
- ♦ As an expense, unless another Standard requires or permits the inclusion of the benefits in the cost of an asset.

Where contributions to a defined contribution plan do not fall due wholly within twelve months after the end of the reporting period in which the employees render the related service, they are discounted. The rate used to discount reflects the time value of money. The currency and term of the financial instrument selected to reflect the time value of money is consistent with the currency and estimated term of the obligation.

1.11 Provisions and contingencies

Provisions are recognised when:

- ♦ Entity 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

Accounting Policies

1.11 Provisions and contingencies (continued)

- A reliable estimate can be made of the obligation.

The amount of a provision is the best estimate of the expenditure expected to be required to settle the present obligation at the reporting date.

Where the effect of time value of money is material, the amount of a provision is the present value of the expenditures expected to be required to settle the obligation.

The discount rate is a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability.

Where some or all of the expenditure required to settle a provision is expected to be reimbursed by another party, the reimbursement is recognised when, and only when, it is virtually certain that reimbursement will be received if the entity settles the obligation. The reimbursement is treated as a separate asset. The amount recognised for the reimbursement does not exceed the amount of the provision.

Provisions are reviewed at each reporting date and adjusted to reflect the current best estimate. Provisions are reversed if it is no longer probable that an outflow of resources embodying economic benefits or service potential will be required, to settle the obligation.

Where discounting is used, the carrying amount of a provision increases in each period to reflect the passage of time. This increase is recognised as an interest expense.

A provision is used only for expenditures for which the provision was originally recognised. Provisions are not recognised for future operating deficits.

If PSiRA has a contract that is onerous, the present obligation (net of recoveries) under the contract is recognised and measured as a provision.

Contingent assets are a potential economic benefits dependent solely on future events that can't be controlled by the company. Due to the uncertainty of the future events, these assets are not recognised, however a potential economic benefit is estimated and disclosed in Note 21.

Contingent liabilities are possible obligations that arose from past events and which existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within control of the entity; 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.

An estimated outflow is disclosed in Note 21.

1.12 Commitments

A commitment arises where an agreement has been entered into with an external party that will be a future obligation that will result in an outflow of resources.

Disclosures are required in respect of unrecognised contractual commitments.

Commitments for which disclosure is necessary to achieve a fair presentation should be disclosed in a note to the financial statements, if both the following criteria are met:

- Contracts should be non-cancellable or only cancellable at significant cost (for example, contracts for computer or building maintenance services);
- Contracts should relate to something other than the routine, steady, state business of the entity – therefore salary commitments relating to employment contracts or social security benefit commitments are excluded.

Accounting Policies

1.13 Revenue from exchange transactions

Revenue is the gross inflow of economic benefits or service potential during the reporting period when those inflows result in an increase in net assets, other than increases relating to contributions from owners.

An exchange transaction is one in which the entity receives assets or services, or has liabilities extinguished, and directly gives approximately equal value (primarily in the form of goods, services or use of assets) to the other party in exchange.

Fair value is the amount for which an asset could be exchanged, or a liability settled, between knowledgeable, willing parties in an arm's length transaction.

Measurement

Revenue is measured at the fair value of the consideration received or receivable, net of trade discounts and volume rebates.

Sale of goods

Revenue from the sale of goods is recognised when all the following conditions have been satisfied:

- ♦ The entity has transferred to the purchaser the significant risks and rewards of ownership of the goods;
- ♦ The entity retains neither continuing managerial involvement to the degree usually associated with ownership nor effective control over the goods sold;
- ♦ The amount of revenue can be measured reliably;
- ♦ It is probable that the economic benefits or service potential associated with the transaction will flow to the entity;
- ♦ The costs incurred or to be incurred in respect of the transaction can be measured reliably.

Revenue from the sale of goods includes the sale of Certificate and ID cards, recognition of prior learning and transcription fees received.

Rendering of services

When the outcome of a transaction involving the rendering of services can be estimated reliably, revenue associated with the transaction is recognised by reference to the stage of completion of the transaction at the reporting date. The outcome of a transaction can be estimated reliably when all the following conditions are satisfied:

- ♦ The amount of revenue can be measured reliably;
- ♦ It is probable that the economic benefits or service potential associated with the transaction will flow to the entity;
- ♦ The stage of completion of the transaction at the reporting date can be measured reliably; and
- ♦ The costs incurred for the transaction and the costs to complete the transaction can be measured reliably.

When services are performed by an indeterminate number of acts over a specified time frame, revenue is recognised on a straight-line basis over the specified time frame unless there is evidence that some other method better represents the stage of completion. When a specific act is much more significant than any other acts, the recognition of revenue is postponed until the significant act is executed.

When the outcome of the transaction involving the rendering of services cannot be estimated reliably, revenue is recognised only to the extent of the expenses recognised that are recoverable.

Revenue from the rendering of services includes training accreditation fees, fees charged on withdrawal of businesses, fees charged on the issue of letters of good standing, company or member name changes and suspensions.

Accounting Policies

1.13 Revenue from exchange transactions (continued)

Bad debts recovered

Bad debts recovered are realised where debts that have previously been written off as irrecoverable and the debts are subsequently rehabilitated or repaid. The amounts rehabilitated or repaid are raised as bad debts recovered.

Investment income

Investment income is recognised on the time proportional basis using the effective interest method.

1.14 Revenue from non-exchange transactions

Fines and Penalties

Fines and penalties are economic benefits or service potential received or receivable by PSiRA, as determined by the PSIRA Act, as a consequence of the individual or other entity breaching the requirements of laws and regulations. Such fines are recognised as revenue when the invoice is raised after the approval of the judgement.

Other income

Other income includes insurance proceeds, agency fees, sundry income and interest charged on debtors. Proceeds from insurance and sundry income are recognised on the receipt of funds. Interest on debtors is recognised when the debtor is charged on outstanding debt balance.

Measurement

Revenue from a non-exchange transaction is measured at the amount of the increase in net assets recognised by the entity.

When, as a result of a non-exchange transaction, PSiRA recognises an asset, it also recognises revenue equivalent to the amount of the asset measured at its fair value as at the date of acquisition, unless it is also required to recognise a liability. Where a liability is required to be recognised it will be

measured as the best estimate of the amount required to settle the obligation at the reporting date, and the amount of the increase in net assets, if any, recognised as revenue. When a liability is subsequently reduced, because the taxable event occurs or a condition is satisfied, the amount of the reduction in the liability is recognised as revenue.

1.15 Borrowing costs

Borrowing costs are interest and other expenses incurred by an entity in connection with the borrowing of funds. Borrowing costs are recognised as an expense in the period in which they are incurred.

1.16 Accounting by principals and agents Identification

An agent is an entity that has been directed by another entity (a principal), through a binding arrangement, to undertake transactions with third parties on behalf of the principal and for the benefit of the principal.

A principal is an entity that directs another entity (an agent), through a binding arrangement, to undertake transactions with third parties on its behalf and for its own benefit.

A principal-agent arrangement results from a binding arrangement in which one entity (an agent), undertakes transactions with third parties on behalf, and for the benefit of, another entity (the principal).

Identifying whether an entity is a principal or an agent

When the entity is party to a principal-agent arrangement, it assesses whether it is the principal or the agent in accounting for revenue, expenses, assets and/or liabilities that result from transactions with third parties undertaken in terms of the arrangement.

The assessment of whether an entity is a principal or an agent requires the entity to assess whether the transactions it undertakes with third parties are for the benefit of another entity or for its own benefit.

Accounting Policies

1.16 Accounting by principals and agents (continued)

Assessing which entity benefits from the transactions with third parties

When the entity in a principal-agent arrangement concludes that it undertakes transactions with third parties for the benefit of another entity, then it is the agent. If the entity concludes that it is not the agent, then it is the principal in the transactions.

The entity is an agent when, in relation to transactions with third parties, all three of the following criteria are present:

- ♦ It does not have the power to determine the significant terms and conditions of the transaction.
- ♦ It does not have the ability to use all, or substantially all, of the resources that result from the transaction for its own benefit.
- ♦ It is not exposed to variability in the results of the transaction.

Where the entity has been granted specific powers in terms of legislation to direct the terms and conditions of particular transactions, it is not required to consider the criteria of whether it does not have the power to determine the significant terms and conditions of the transaction, to conclude that it is an agent. The entity applies judgement in determining whether such powers exist and whether they are relevant in assessing whether the entity is an agent.

Recognition

PSiRA, as a principal, recognises revenue and expenses that arise from transactions with third parties in a principal-agent arrangement in accordance with the requirements of Standards of GRAP.

PSiRA, as an agent, recognises only that portion of the revenue and expenses it receives or incurs in executing the transactions on behalf of the principal in accordance with the requirements of Standards of GRAP.

1.17 Comparative figures

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

1.18 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.

1.19 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.

The irregular expenditure is recorded in terms of sections 76(1) to 76(4) of the PFMA and the relevant national treasury instruction number 04 of 2022/23.

Irregular expenditure that was incurred and identified during the current financial year 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.

Private Security Industry Regulatory Authority

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Accounting Policies

1.19 Irregular expenditure (continued)

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.

1.20 Budget information

The approved budget is prepared on a modified cash basis and presented by economic classification linked to performance outcome objectives.

The approved budget covers the fiscal period from 01/04/2023 to 31/03/2024.

The annual financial statements and the budget are on the same basis of accounting and therefore a comparison with the budgeted amounts for the reporting period have been included in the Statement of comparison of budget and actual amounts.

1.21 Related parties

PSiRA operates in an economic sector currently dominated by entities directly or indirectly owned by the South African Government. As a consequence of the constitutional independence of the three spheres of government in South Africa, only entities within the national sphere of government are considered to be related parties.

Management are those persons responsible for planning, directing and controlling the activities of PSiRA, including those charged with the governance of PSiRA in accordance with legislation, in instances where they are required to perform such functions.

PSiRA reports to the Minister of Police as the Executive Authority.

Only transactions with related parties not at arm's length or not in the ordinary course of business are disclosed.

1.22 Events after reporting date

Events after reporting date are those events, both favourable and unfavourable, that occur between the reporting date and the date when the financial statements are authorised for issue. Two types of events can be identified:

- ♦ Those that provide evidence of conditions that existed at the reporting date (adjusting events after the reporting date); and
- ♦ Those that are indicative of conditions that arose after the reporting date (non-adjusting events after the reporting date).

PSiRA will adjust the amount recognised in the financial statements to reflect adjusting events after the reporting date once the event occurred.

PSiRA will disclose the nature of the event and an estimate of its financial effect or a statement that such estimate cannot be made in respect of all material non-adjusting events, where non-disclosure could influence the economic decisions of users taken of the financial statements.

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| Figures in Rand | 2024 | 2023 |
|-------------------------|--------------------|--------------------|
| Non current liabilities | (3 674 680) | (3 615 785) |
| Current Liabilities | (791 642) | - |
| | (4 466 322) | (3 615 785) |

2. New standards and interpretations

2.1 Standards and interpretations effective and adopted in the current year

In the current year, the entity has adopted the following standards and interpretations that are effective for the current financial year and that are relevant to its operations:

2.2 Standards and interpretations issued, but not yet effective

The entity has not applied the following standards and interpretations, which have been published and are mandatory for the entity's accounting periods beginning on or after 01 April 2024 or later periods:

| | | |
|--|-------------------------|---|
| GRAP 1 Presentation of Financial Statements | To be determined | Unlikely there will be a |
| GRAP 104 Financial Instruments | 01 April 2025 | Material impact Unlikely there will be a Material impact |

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3. Property, plant and equipment

| | Cost / Valuation | Accumulated depreciation and accumulated impairment | Carrying value | Cost / Valuation | Accumulated depreciation and accumulated impairment | Carrying value |
|------------------------|---------------------|---|-------------------|---------------------|---|-------------------|
| Land | 4 936 800 | - | 4 936 800 | 3 980 000 | - | 3 980 000 |
| Buildings | 7 063 200 | - | 7 063 200 | 7 246 000 | (1 427 567) | 5 818 433 |
| Furniture and fixtures | 9 154 702 | (5 343 366) | 3 811 336 | 8 159 197 | (4 835 991) | 3 323 206 |
| Motor vehicles | 3 536 224 | (826 121) | 2 710 103 | 2 367 559 | (404 921) | 1 962 638 |
| Office equipment | 7 037 680 | (3 026 983) | 4 010 697 | 4 406 519 | (2 237 131) | 2 169 388 |
| Computer equipment | 13 327 729 | (8 524 246) | 4 803 483 | 12 038 786 | (7 677 858) | 4 360 928 |
| Leasehold improvements | 1 680 947 | (101 272) | 1 579 675 | 29 975 | (20 983) | 8 992 |
| Total | 46 737 282 | (17 821 988) | 28 915 294 | 38 228 036 | (16 604 451) | 21 623 585 |

Reconciliation of property, plant and equipment - 2024

| | Opening balance | Additions | Disposals | Revaluations | Depreciation | Total |
|------------------------|--------------------|-------------------|-----------------|------------------|--------------------|-------------------|
| Land | 3 980 000 | - | - | 956 800 | - | 4 936 800 |
| Buildings | 5 818 433 | - | - | 1 969 367 | (724 600) | 7 063 200 |
| Furniture and fixtures | 3 323 206 | 1 025 567 | (4 956) | - | (532 481) | 3 811 336 |
| Motor vehicles | 1 962 638 | 1 381 103 | - | - | (633 638) | 2 710 103 |
| Office equipment | 2 169 388 | 2 781 510 | (1 640) | - | (938 561) | 4 010 697 |
| Computer equipment | 4 360 928 | 3 407 320 | (3 729) | - | (2 961 036) | 4 803 483 |
| Leasehold improvements | 8 992 | 1 650 972 | - | - | (80 289) | 1 579 675 |
| | 21 623 585 | 10 246 472 | (10 325) | 2 926 167 | (5 870 605) | 28 915 294 |

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3. Property, plant and equipment (continued)

Reconciliation of property, plant and equipment - 2023

| | Opening balance | Additions | Disposals | Depreciation | Total |
|------------------------|-------------------|------------------|------------------|--------------------|-------------------|
| Land | 3 980 000 | - | - | - | 3 980 000 |
| Buildings | 6 543 033 | - | - | (724 600) | 5 818 433 |
| Furniture and fixtures | 3 049 173 | 990 997 | (120 149) | (596 815) | 3 323 206 |
| Motor vehicles | 1 | 2 155 121 | - | (192 484) | 1 962 638 |
| Office equipment | 2 054 780 | 1 112 991 | (78) | (998 305) | 2 169 388 |
| Computer equipment | 5 359 708 | 3 152 716 | (12 722) | (4 138 774) | 4 360 928 |
| Leasehold improvements | 85 165 | - | (7) | (76 166) | 8 992 |
| | 21 071 860 | 7 411 825 | (132 956) | (6 727 144) | 21 623 585 |

The asset classes of land and buildings are carried at revalued amounts. Land and buildings were revalued on 31 March 2024.

The land and buildings were revalued by independent valuers. The fair values were determined by using the income capitalisation methods.

PSiRA had assets in use during the year that had a zero net book value at the beginning of the accounting period.

No assets were pledged as security during the year, nor were there any restrictions on any of the assets.

Included in repairs and maintenance is the repairs and maintenance of property, plant and equipment amounting to R2 027 445 (2023 - R1 325 004)

Proceed from insurance

19 959 236 667

4. Intangible assets

| | Cost / Valuation | Accumulated depreciation and accumulated impairment | Carrying value | Cost / Valuation | Accumulated depreciation and accumulated impairment | Carrying value |
|--------------------------|------------------|---|----------------|------------------|---|----------------|
| Computer software, other | 7 224 652 | (4 846 860) | 2 377 792 | 6 340 632 | (5 868 049) | 472 583 |

Reconciliation of property, plant and equipment - 2024

| | Opening balance | Additions | Amortisation | Total |
|--------------------------|-----------------|-----------|--------------|-----------|
| Computer software, other | 472 583 | 6 753 168 | (4 847 959) | 2 377 792 |

Reconciliation of property, plant and equipment - 2023

| | Opening balance | Additions | Amortisation | Total |
|--------------------------|-----------------|-----------|--------------|---------|
| Computer software, other | 4 069 | 471 484 | (2 970) | 472 583 |

Included in the intangible asset is the capitalisation of the e-PSiRA (online system)

Included in the intangible assets is disposal cost and accumulated depreciation (R5 869 148) that has nil effect on the overall balance.

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5. Operating lease liability

| | | |
|-------------------------|--------------------|--------------------|
| Non-current liabilities | (3 674 680) | (3 615 785) |
| Current liabilities | (791 642) | - |
| | (4 466 322) | (3 615 785) |

Lease payments: Buildings

PSIRA has regional offices in Johannesburg, Durban, Port Elizabeth, Mthatha, Polokwane, Pretoria, Bloemfontein, Nelspruit, Cape Town and its head office in Centurion, where it leases premises for the purpose of providing services to the security industry.

Kwa-Zulu Natal: 26 Mathews Road, Greyville

5 year contract expiring 31 May 2022 - escalation of 7% per annum, extended for 22 months. 3 year contract expiring 31 October 2028 - escalation of 8% per annum.(New)

Pretoria Corporate Offices: Eco Glades2 Office Park, Centurion

5 year contract expiring 31 July 2026 - escalation 6% per annum.

Port Elizabeth: Shop 221D, Pier Shopping Centre

3 year contract expiring 30 April 2024 - escalation of 6% per annum.

Mthatha: 13 Cumberland Street, Hillcrest

5 year contract expiring 31 July 2026 - escalation of 6% per annum.

Bloemfontein offices: 53 Maxeke Street, Bloemfontein

5 year contract expiring 30 April 2028 - escalation 6% per annum.(New)

Polokwane: Unit A Constantia Park, 80 Hans Van Rensburg Street, Polokwane

5 year contract expiring 31 October 2027 - escalation of 6% per annum.

Johannesburg: Shop G0001 & Office 0201, Romi-Lee Building, Corner Eloff and Marshall Streets, Marshalltown, Johannesburg :

5 year contract expiring 31 March 2022 - escalation of 7% per annum, extended for 25 months.

Nelspruit:7 Bell Street, Nelspruit

5 year contract expiring 30 April 2028- Escalation of 6% per annum. (New)

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5. Operating lease liability (continued)

Pretoria Offices: 170 Thabo Sehume Street, Pretoria

5 year contract expiring 30 June 2023 - Escalation of 6% per annum, extended for 12 months.

Cape Town: 3rd Floor, 23 Vrede Street, Louwville, Cape Town

5 year contract expiring 30 September 2023- Escalation of 6% per annum, extended for 24 months.

Lease payments: Operating costs buildings

Pretoria Corporate Offices: Eco Glades 2 Office Park, Centurion

5 year contract expiring 31 July 2026 - escalation 6% per annum.

Johannesburg Shop G0001 & Office 0201, Romi-Lee Buildings, Corner Eloff and Marshal Streets, Marshaltown:

5 year contract expiring 31 March 2022 -escalation 7% per annum, extended for 24 months.

Bloemfontein offices: 53 Maxeke Street, Bloemfontein.

5 year contract expiring 30 April 2028-escalation 6% per annum

The authority entered into three new leases for Bloemfontein, Durban and Nelspruit.

Summary for all the operating lease obligation

| | | |
|-----------------------------------|------------------|------------------|
| Payable within one year | 812 766 | (129 692) |
| Payable between one to five years | 3 653 556 | 3 620 594 |
| | 4 466 322 | 3 490 902 |

Total Operating lease obligation

| | | |
|--|------------------|------------------|
| Lease Payments: Buildings | 3 843 871 | 2 963 152 |
| Lease Payments: Operating costs of buildings | 622 451 | 527 749 |
| | 4 466 322 | 3 490 901 |

6. Work in progress asset

| | | |
|----------------------------|-------------------|-------------------|
| Online registration system | - | 6 511 668 |
| Leasehold Improvement | 4 164 020 | - |
| Law Enforcement system | 314 500 | 314 500 |
| Online assessment system | 10 065 103 | 4 000 000 |
| | 14 543 623 | 10 826 168 |

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6. Work in progress asset (continued)

Work in progress asset comprises of a law enforcement and online assessment system that is developed and leasehold improvement for Johannesburg office

Reconciliation of work in progress is follows:

| | | |
|------------------------------|-------------------|-------------------|
| Opening balance | 10 826 168 | 6 565 668 |
| Additions during the year | 10 470 623 | 4 314 500 |
| Transfer to intangible asset | (6 753 168) | (54 000) |
| | 14 543 623 | 10 826 168 |

7. Other receivables

| | | |
|-------------------|-------------------|-------------------|
| Other receivables | 6 600 493 | 3 376 870 |
| UIF receivable | 9 983 100 | 9 983 100 |
| | 16 583 593 | 13 359 970 |

Included in the other receivables is rental deposits, interest accrued from investment and UIF receivable (R9 983 100).

8. Inventories

| | | |
|-------------------|-----------|-----------|
| Consumable stores | 2 349 442 | 1 583 628 |
|-------------------|-----------|-----------|

Included in consumable stores is stationery, ID cards and printing material. No inventory was pledged as security.

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| | 2024 | 2023 |
|--|--------------------|--------------------|
| 9. Trade receivables | | |
| Trade debtors | 209 029 876 | 145 352 319 |
| Provision for impairment of trade debtors | (127 142 978) | (80 953 666) |
| | 81 886 898 | 64 398 653 |
| Trade Receivables comprises of the following: | | |
| Trade Debtors from exchange transactions | 175 425 059 | 111 935 525 |
| Trade and other receivables from non-exchange transactions | 33 604 817 | 33 416 796 |
| | 209 029 876 | 145 352 321 |
| Ageing of gross trade receivables | | |
| Current | 3 344 125 | 3 310 369 |
| 31-60 days | 2 909 226 | 4 973 298 |
| 60 - 90 days | 3 281 472 | 6 666 582 |
| 90 days- over | 199 495 053 | 130 402 072 |
| | 209 029 876 | 145 352 321 |
| Ageing of provision for impairment on trade receivables | | |
| Current | 806 213 | 464 495 |
| 31 - 60 days | - | 392 390 |
| 61 - 90 days | 892 398 | 43 538 |
| 91 - over | 125 444 367 | 80 053 243 |
| | 127 142 978 | 80 953 666 |
| Ageing of net trade receivables | | |
| Current | 3 397 383 | 2 845 870 |
| 31 - 60 days | 2 909 226 | 4 580 909 |
| 61 - 90 days | 2 389 074 | 6 623 044 |
| 91 - over | 73 191 214 | 50 348 830 |
| | 81 886 897 | 64 398 653 |
| Reconciliation of provision for impairment of trade and other receivables | | |
| Opening balance | 80 953 663 | 67 347 472 |
| Provision for impairment | 60 461 257 | 27 862 086 |
| Amounts written off as uncollectible | (14 271 942) | (14 255 895) |
| | 127 142 978 | 80 953 663 |
| 10. Cash and cash equivalents | | |

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| | 2024 | 2023 |
|---------------------------------------|--------------------|--------------------|
| Cash and cash equivalents consist of: | | |
| Cash on hand | 49 491 | 835 279 |
| Bank balances | 4 317 065 | 5 768 479 |
| Short-term deposits | 281 732 322 | 186 907 765 |
| | 286 098 878 | 193 511 523 |
| Restricted cash balances | | |
| Current accounts and Call | 20 551 710 | 24 484 150 |

Cash in the bank relating to UIF skills programme is identified as restricted as the cash is not available for general use by the entity but is only available to fund future UIF skills programme trainings (End-user computing and Security Training) in accordance with Skills programme SLA concluded between the Authority and Unemployment Insurance Fund (UIF).

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11. Provisions

| | Opening balance | Additions | Utilised during the year | Total |
|--|------------------|-------------------|--------------------------|------------------|
| Reconciliation of provisions - 2024 | | | | |
| Performance bonus | 2 584 184 | 10 776 119 | (10 307 488) | 3 052 815 |
| Deferred bonus | 2 631 556 | - | - | 2 631 556 |
| | 5 215 740 | 10 776 119 | (10 307 488) | 5 684 371 |
| Reconciliation of provisions - 2023 | | | | |
| Performance bonus | 2 224 150 | 9 418 700 | (9 058 666) | 2 584 184 |
| Deferred bonus | 2 631 556 | - | - | 2 631 556 |
| | 4 855 706 | 9 418 700 | (9 058 666) | 5 215 740 |

Performance bonuses are paid to employees who meet their performance targets in line with performance contract for the year end review. The provision for performance bonus represents management's best estimate of the entity's liability at year end for current employees in service. The calculation is based on a pro-rata estimated percentage of total salaries paid to employees.

Deferred bonuses are paid to qualifying employees as a retention strategy. The employees qualify for the deferred bonuses upon leaving employment or at the end of the scheme period. The liability represents managements best estimate at year end. The calculation is based on stipulated target taking into account probability and allowable amounts.

12. Payables from exchange transactions

| | | |
|----------------------------|-------------------|-------------------|
| Payables and accruals | 40 361 578 | 30 466 162 |
| Credit balances on debtors | 29 527 774 | 27 766 513 |
| Unknown deposits | 4 074 913 | 4 246 327 |
| 13th cheque | 4 100 218 | 3 607 229 |
| | 78 064 483 | 66 086 231 |

Payables from exchange transactions includes trade payables, accruals, leave provision, 13th cheque, debtors with credit balances and unknown cash receipts or deposits into PSiRA's bank account, with incorrect or unidentifiable references. In some instances these deposits relate to registration fees, course reports or fines and settlements that are unidentifiable at the time of reporting. These cash receipts are disclosed as unknown deposits.

Credit balance are a result of overpayment on annual fees by debtors include credit notes processed against overbilling of annual fees from the inception of the revised Annual Fees regulation and prepayment by mainly training providers who use the credit on submission of course report.

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13. Revenue

| | | |
|---------------------------------|--------------------|--------------------|
| Sale of goods | 44 677 552 | 28 626 810 |
| Rendering of services | 2 082 006 | 1 545 593 |
| Interest received (trading) | 18 977 882 | 8 244 560 |
| Annual fees | 254 616 945 | 214 167 447 |
| Infrastructure re-assessment | 442 830 | 406 300 |
| Registration fees | 105 111 022 | 66 105 268 |
| Course reports | 131 478 735 | 101 360 073 |
| Bad debts recovered | 475 296 | 1 095 767 |
| Interest received - investments | 22 575 447 | 10 175 041 |
| Sundry income | 1 896 401 | 6 594 078 |
| Fine and penalties | 25 204 750 | 14 126 704 |
| | 607 538 866 | 452 447 641 |

The amount included in revenue arising from exchanges of goods or services are as follows:

| | | |
|--------------------------------|--------------------|--------------------|
| Sale of goods | 44 677 552 | 28 626 810 |
| Rendering of services | 2 082 006 | 1 545 593 |
| Interest received (trading) | 18 977 882 | 8 244 560 |
| Annual fees | 254 616 945 | 214 167 447 |
| Infrastructure re-assessment | 442 830 | 406 300 |
| Registration fees | 105 111 022 | 66 105 268 |
| Course reports | 131 478 735 | 101 360 073 |
| Bad debts recovered | 475 296 | 1 095 767 |
| Interest received - investment | 22 575 447 | 10 175 041 |
| | 580 437 715 | 431 726 859 |

The amount included in revenue arising from non-exchange transactions is as follows:

| | | |
|---------------------|-------------------|-------------------|
| Fines and penalties | 25 204 750 | 14 126 704 |
| Sundry income | 1 896 401 | 6 594 078 |
| | 27 101 151 | 20 720 782 |

Included in sundry income are amounts relating to penalties on refunds to service providers, SASSETA receipts for internships and insurance proceeds.

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14. Employee related costs

| | | |
|-----------------------------|--------------------|--------------------|
| Basic salaries | 185 385 166 | 157 485 519 |
| Performance bonus expense | 10 784 593 | 9 418 699 |
| Medical aid | 13 573 630 | 11 288 808 |
| Unemployment insurance fund | 794 631 | 732 518 |
| Workmen's compensation | 479 170 | 276 601 |
| Skills development levy | 2 089 087 | 1 778 223 |
| Pension contribution | 18 408 844 | 15 608 307 |
| Travel and other allowances | 10 044 353 | 8 333 977 |
| 13th Cheques | 2 406 315 | 2 977 030 |
| | 243 965 789 | 207 899 682 |

Defined contribution plans

| | | |
|------------------------|-------------------|-------------------|
| Employee contributions | 11 186 278 | 9 719 812 |
| Employer contribution | 18 408 841 | 15 608 307 |
| | 29 595 119 | 25 328 119 |

15. Finance costs

| | | |
|---------------------|-------|-------|
| Other Interest paid | 9 749 | 2 940 |
|---------------------|-------|-------|

16. Other operating expenses

| | | |
|--|------------|------------|
| Advertising | 8 245 372 | 3 813 719 |
| Auditors remuneration | 5 276 253 | 4 319 048 |
| Bank charges | 5 096 372 | 5 971 461 |
| Cleaning | 2 356 112 | 2 085 994 |
| Audit, risk and other committee members fees | 593 461 | 631 455 |
| Consulting and professional fees | 17 578 985 | 13 300 336 |
| Donations & Sponsorships | 1 266 407 | 135 796 |
| Consumables | 1 712 981 | 725 647 |
| Insurance | 1 299 987 | 949 845 |
| Postage and courier | 1 912 260 | 1 726 400 |
| Printing and stationery | 5 527 404 | 4 406 305 |
| Security | 5 912 184 | 7 372 876 |
| License fees | 8 967 692 | 7 429 559 |
| Subscriptions and membership fees | 3 039 492 | 1 927 188 |
| Telephone and fax | 11 135 113 | 11 986 329 |
| Training | 3 077 028 | 1 808 037 |
| Travel | 12 019 305 | 6 331 618 |
| Water,electricity and levies | 8 630 492 | 8 712 835 |
| Uniforms | - | 17 580 |

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16. Other operating expenses (continued)

| | | |
|-----------------------|--------------------|--------------------|
| Fingerprint cost | 15 413 908 | 12 292 790 |
| Legal fees | 9 119 977 | 3 135 845 |
| Functions & workshops | 6 184 159 | 3 227 949 |
| Sundry expenses | 1 912 388 | 1 841 672 |
| Property rentals | 33 431 935 | 29 030 922 |
| Council members fees | 3 210 184 | 2 955 807 |
| | 172 919 451 | 136 137 013 |

17. Auditors' remuneration

| | | |
|---------------------|------------------|------------------|
| Internal audit fees | 606 572 | 675 401 |
| External audit fees | 4 669 681 | 3 643 647 |
| | 5 276 253 | 4 319 048 |

18. Cash generated from operations

| | | |
|--|--------------------|-------------------|
| Surplus | 113 195 634 | 69 699 534 |
| Adjustments for: | 10 718 564 | 6 730 114 |
| Depreciation and amortisation | | |
| Gain on sale of assets and liabilities | 10 325 | 132 957 |
| Debt impairment | 60 461 253 | 27 862 086 |
| Movements in operating lease liability | 850 537 | 318 686 |
| Movements in provisions | 468 632 | 360 034 |
| Movement in UIF liability | (34 115 279) | 1 029 634 |
| Changes in working capital: | (765 814) | (398 564) |
| Inventories | | |
| Trade receivables | (53 410 022) | (53 449 799) |
| Payables from exchange transactions | 11 958 175 | 27 684 906 |
| | 109 372 005 | 79 969 588 |

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19. Commitments

Authorised capital expenditure

Already contracted for but not provided for

| | | |
|---------------------------------|-----------|-----------|
| ♦ Property, plant and equipment | 8 790 627 | 1 110 984 |
|---------------------------------|-----------|-----------|

Authorised operational expenditure

Already contracted for but not provided for

| | | |
|--|------------|------------|
| ♦ Printing, stationery and publication | 3 984 314 | 1 225 861 |
| ♦ Staff training | 527 287 | 142 152 |
| ♦ Maintenance | 1 589 189 | 693 390 |
| ♦ Consultancy | 6 859 404 | 13 514 215 |
| ♦ Security | 1 704 831 | 6 195 697 |
| ♦ Consumables | - | 1 147 363 |
| ♦ Telephone and fax | 18 942 184 | 2 743 875 |
| ♦ Office Removals | 65 309 | - |
| ♦ IT Services | 4 800 158 | - |
| ♦ Advertising | 2 574 546 | 901 522 |
| ♦ Cleaning | 1 254 202 | 3 418 398 |
| ♦ Staff amenities | 839 271 | 503 997 |
| ♦ Software licences | 4 494 990 | 1 815 742 |
| ♦ Internal audit | 144 175 | 581 258 |
| ♦ Insurance | 1 778 303 | - |
| ♦ Equipment rental | 8 612 709 | 11 094 133 |
| ♦ Sundry expenses | 1 974 099 | 18 676 |

| | | |
|--------------------------------------|-------------------|-------------------|
| Total operational commitments | 60 144 971 | 43 996 279 |
|--------------------------------------|-------------------|-------------------|

Total commitments

| | | |
|--------------------------------------|------------|------------|
| ♦ Authorised capital expenditure | 8 790 627 | 1 110 984 |
| ♦ Authorised operational expenditure | 60 144 971 | 43 996 279 |

| | |
|-------------------|-------------------|
| 68 935 598 | 45 107 263 |
|-------------------|-------------------|

Operating leases - as lessee (expense)

Minimum lease payments due

| | | |
|-------------------------------------|------------|------------|
| ♦ Within one year | 34 172 541 | 26 391 566 |
| ♦ In second to fifth year inclusive | 71 033 153 | 56 474 156 |
| ♦ Later than five years | - | - |

| | |
|--------------------|-------------------|
| 105 205 694 | 82 865 722 |
|--------------------|-------------------|

Operating lease payments represent rentals payable by the entity for certain of its office properties. Leases are negotiated for an average term of five years and rentals are fixed for an average of three years. No contingent rent is payable.

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20. Contingencies

Contigent liabilities

PSiRA is a defendant in a number of legal actions. It is not possible at this stage of proceedings to determine the actual losses that PSiRA would suffer in the event that the court found against PSiRA. Estimated liability amounts for the period ended 31 March 2024 to R2 990 000 (2023: R4 920 000).

Contingent assets

PSiRA was a complainant in a number of legal actions. The estimated probable amount for the period ended 31 March 2024 is R663 520 (2023: R656 682)

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21. Related parties

Relationships

Shareholders

The PSiRA was established in term of Private Security Industry Regulation Act 56 of 2001 Structures in Minister of Police

Department of Police

Civilian Secretarial of Police Services (C S P S)
Independent Police Investigative Directorate (I P I D)
South African Police Services (S A P S)

Related party transactions

During the current financial year, there were no transactions incurred with any government entity and the Ministry of Police or any entity reporting to it.

Board and executive members emoluments Management class: council members

2024

| Name | Fees for services as a member of management | Reimbursive and other allowances | Total |
|--|---|----------------------------------|------------------|
| DR AL Shibambo (Chairperson) | 768 320 | 48 040 | 816 360 |
| Mr. H.N. Ngubane | 571 205 | - | 571 205 |
| Mr. M.S. Ralebipi (Deputy Chairperson) | 651 219 | 28 986 | 680 205 |
| Dr. S.N. Mbete | 571 209 | - | 571 209 |
| Ms. T. Ntshangase | 571 205 | - | 571 205 |
| | 3 133 158 | 77 026 | 3 210 184 |

2023

| Name | Fees for services as a member of management | Reimbursive and other allowances | Total |
|--|---|----------------------------------|------------------|
| Dr. A.L. Mofomme (Chairperson) | 724 830 | 2 509 | 727 339 |
| Mr. H.N. Ngubane | 538 872 | 1 398 | 540 270 |
| Mr. M.S. Ralebipi (Deputy Chairperson) | 614 358 | - | 614 358 |
| Dr. S.N. Mbete | 538 872 | - | 538 872 |
| Ms. T. Ntshangase | 538 872 | - | 538 872 |
| | 2 955 804 | 3 907 | 2 959 711 |

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21. Related parties (continued)

Management class: Executive management

2024

| Name | Basic salary | Car and other allowances and benefits | Re-imbursable allowances | Total |
|----------------------------------|-------------------|---------------------------------------|--------------------------|-------------------|
| Mr. M.S. Chauke | 3 954 146 | 475 200 | 47 741 | 4 477 087 |
| Ms. T Zwane | 2 068 452 | 162 000 | 51 577 | 2 282 029 |
| Ms. M.C. Sebogodi | 2 225 414 | 264 000 | 25 374 | 2 514 788 |
| Mr. J. Makgolane | 1 891 892 | 268 800 | 28 986 | 2 189 678 |
| Mr. C.S. Badenhorst [^] | 5 649 642 | - | - | 5 649 642 |
| Ms. Sechoaro | 2 195 365 | - | 24 241 | 2 219 606 |
| Mr. I Ralioma ^{^^} | 1 745 941 | 168 000 | 28 449 | 1 942 390 |
| | 19 730 852 | 1 338 000 | 206 368 | 21 275 220 |

2023

| Name | Basic salary | Other benefits received | Total |
|----------------------------------|-------------------|-------------------------|-------------------|
| Mr. M.S. Chauke | 3 567 173 | 475 200 | 4 042 373 |
| Ms. T Zwane | 1 855 548 | 165 734 | 2 021 282 |
| Ms. M.C. Sebogodi | 2 105 024 | 264 000 | 2 369 024 |
| Mr. J. Makgolane | 1 837 992 | 268 800 | 2 106 792 |
| Mr. C.S. Badenhorst [^] | 2 166 781 | 42 000 | 2 208 781 |
| Ms. Sechoaro | 1 432 622 | 22 203 | 1 454 825 |
| Mr. I Ralioma ^{^^} | 1 437 032 | 191 110 | 1 628 142 |
| | 14 402 172 | 1 429 047 | 15 831 219 |

[^]- Resigned 30 November 2023

^{^^}- Acting 01 September 2022

Management class: Audit and risk committee

2024

| Name | Fees for services as a member of management | Other benefits received | Total |
|----------------------------------|---|-------------------------|----------------|
| Mr N. Mhlongo (Chairperson) | 62 298 | 1 525 | 63 823 |
| Ms U. Exner (Deputy Chairperson) | 108 047 | 2 436 | 110 483 |
| Mr M. Matlwa | 26 196 | 600 | 26 796 |
| Ms L. Mudau | 82 954 | 2 265 | 85 219 |
| Ms G. Ramphaka | 48 026 | 1 082 | 49 108 |
| Ms. M. Ramutsheli | 143 380 | 1 990 | 145 370 |
| Mr. P Ravhudzulo | 11 761 | - | 11 761 |
| | 482 662 | 9 898 | 492 560 |

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21. Related parties (continued)

2023

| Name | Fees for services as a member of management | Other benefits received | Total |
|----------------------------------|---|-------------------------|----------------|
| Mr N. Mhlongo (Chairperson) | 167 013 | 3 900 | 170 913 |
| Ms U. Exner (Deputy Chairperson) | 91 686 | 1 800 | 93 486 |
| Mr M. Matlwa | 87 320 | 1 800 | 89 120 |
| Ms L. Mudau | 37 111 | 900 | 38 011 |
| Ms G. Ramphaka | 79 405 | 1 500 | 80 905 |
| Ms. M. Ramutsheli | 62 575 | 2 376 | 64 951 |
| | 525 110 | 12 276 | 537 386 |

22. Change in estimate

Property, plant and equipment

During the financial year the useful lives of specific assets have been reassessed to reflect the actual pattern of service potential that PSiRA estimated could still be derived from the assets. The effect of this on the current and future periods has been illustrated below:

| | Increase in the carrying amount at the end of the | Decrease in depreciation for the year |
|--------------------|---|---------------------------------------|
| Computer equipment | 185 367 | 185 367 |
| Office equipment | 41 562 | 41 562 |
| Office Furniture | 43 374 | 43 374 |
| | 270 303 | 270 303 |

23. Prior period errors

The error is due the incorrect debtors balance noted on the Compiere System. The impact of the adjustment will results decrease accounts receivables, accounts payables and accumulated surplus.

The correction of the error(s) results in adjustments as follows:

Statement of Financial Position

| | | |
|---|---|--------------|
| Decrease in trade Debtors | - | (1 622 552) |
| Increase in accumulated surplus | - | 31 587 336 |
| Decrease in payables from exchange transactions | - | (33 209 888) |

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24. Risk management

Financial risk management

Liquidity risk

PSiRA's risk to liquidity is a result of the funds available to cover future commitments. The entity manages liquidity risk through an ongoing review of future commitments and credit facilities.

Cash flow forecasts are prepared and adequate utilised borrowing facilities are monitored.

The table below analyses the entity's financial liabilities and net-settled derivative financial liabilities into relevant maturity groupings based on the remaining period at the statement of financial position to the contractual maturity date. The amounts disclosed in the table are the contractual undiscounted cash flows. Balances due within 12 months equal their carrying balances as the impact of discounting is not significant.

| Contractual undiscounted cash flows as at reporting date - 2024 | Less than 1 year | Between 2 and 5 years | Total |
|---|--------------------|-----------------------|--------------------|
| Operating lease obligation | 34 172 541 | 71 033 153 | 105 205 694 |
| UIF liability | 20 551 710 | - | 20 551 710 |
| Trade and other payables | 58 865 442 | - | 58 865 442 |
| | 113 589 693 | 71 033 153 | 184 622 846 |

| Contractual undiscounted cash flows as at reporting date - 2023 | Less than 1 year | Between 2 and 5 years | Total |
|---|--------------------|-----------------------|--------------------|
| Operating lease obligation | 26 391 566 | 56 474 156 | 82 865 722 |
| UIF liability | 54 666 989 | - | 54 666 989 |
| Trade and other payables | 47 208 765 | - | 47 208 765 |
| | 128 267 320 | 56 474 156 | 184 741 476 |

Interest rate risk

Interest rate risk relates to fluctuation of the fair value of future cash flows of financial instruments, as a result of changes in market conditions. PSiRA is exposed to interest rate risk as it invests funds in the money market at a fixed and floating interest rate. This is managed by investing PSiRA's surplus fund in short term investments, thereby taking advantage of the maximum rate applicable from time to time from money markets. Such investments are held with a registered bank in the Republic of South Africa

Credit risk

Credit risk consists mainly of cash deposits, cash equivalents, derivative financial instruments and trade debtors. The entity only deposits cash with major banks with high quality credit standing and limits exposure to any one counterparty.

Trade receivables comprise a widespread customer base. Management evaluated credit risk relating to customers on an ongoing basis. If customers are independently rated, these ratings are used. Otherwise, if there is no independent rating, risk control assesses the credit quality of the customer, taking into account its financial position, past experience and other factors.

Financial assets exposed to credit risk at year end were as follows:

| Financial instrument | 2024 | 2023 |
|-----------------------------|-------------|-------------|
| Trade and other receivables | 81 886 898 | 64 398 653 |
| Cash and cash equivalents | 306 650 588 | 217 995 673 |
| UIF receivable | 9 983 100 | 9 983 100 |
| Other receivables | 2 868 046 | 2 710 575 |

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25. Going concern

The 2023/2024 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. The Authority has reported an accumulated surplus of R336 280 309 for the 2023/24 financial year.

Financial consideration

We draw your attention to the fact that at 31 March 2024, entity had an accumulated surplus of R336 280 309 and that the total assets exceed total liabilities by R348 355 442. PSiRA posted a net surplus of R113 195 634 for the current financial period. A bad debt provision of R127 142 978 was recorded, for the 2023/24 financial year. The R127 142 978 bad debt provision is after considering a bad debt write-off of R14 271 942 in the in the 2023/24 financial year.

PSiRA continues to implement cost containment measures to minimise the impact of inequitable funding model. The cost containment measure yielded positive results with a surplus of R113 195 634 and PSiRA cash resources of R306 650 588 for the 2023/24 financial year.

Legal and statutory considerations

The Private Security Industry Regulatory Authority was established in terms of Section Two of the Private Security Industry Regulation Act (56 of 2001) Act in 2002. There is a process underway to amend the Act. The amendment seeks to strengthen mechanisms of regulation, at the same time, retaining the form of the entity which regulates the industry. Further, the Amendment Bill seeks to introduce funding of the Authority through appropriation by Parliament. This will ensure that PSiRA has sufficient resources to carry out its legislative mandate.

Assessment of going concern assumption

The Standard of Generally Recognised Accounting Practice – Presentation of Financial Statements (GRAP 1) paragraph.27 states “when preparing financial statements, management shall make an assessment of an entities ability to continue as a going concern. Financial statements shall be prepared on a going concern basis unless there is an intention to liquidate the entity or to cease trading, or if there is no realistic alternative to do so.”

PSiRA has a statutory mandate in terms of the Act and will continue to deliver on its mandate for the foreseeable future.

The going concern assumption in public entities is not predicated on the solvency test that is usually applied to business enterprises.

The legislated ability to raise fees from the security industry may allow PSiRA to operate for extended periods in a net asset position.

The Accounting Authority is of the opinion that PSiRA will continue to operate in the foreseeable future.

The ability of the Authority to continue as a going concern is dependent on a number of factors. The most significant of these is that the Authority has projected positive cashflows for the 2024/25 financial year. The positive cash flows have been calculated based on the revenue and expenditure trends for the 2023/24 financial year also taking into account the cost containment measure that are implemented continuously.

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26. Events after the reporting date

The Authority had no events after reporting date.

27. Irregular, fruitless and wasteful expenditure

| | | |
|------------------------------------|------------------|----------------|
| Irregular expenditure | 3 211 485 | 451 101 |
| Fruitless and wasteful expenditure | 51 699 | 82 830 |
| | 3 263 184 | 533 931 |

28. Budget differences

Material differences between budget and actual amounts Statement of Financial Performance.

Revenue

Total Revenue is 34% above budget.

Below is an explanation of variances 10% and more above budget.

Registration fees are 78% above budget. The online Registration System has made it easy for Security Service Providers to register with the Authority resulting in an increased registration revenue. A total of 170 453 individual applications and 2 874 business applications were received. 338 452 profiles were claimed on the online system with the number indicating new system users.

Interest on debtors is 442% above budget. The higher interest on debtors reflects the negative economic impact on smaller private security companies. Interest is charged on overdue accounts as prescribed by Reverse Bank.

Interest from bank is 464% above budget. The Authority is required as per the Investment policy to invest all excess funds in interest generating account. PSiRA invests all funds received in a call account which generates interest at 7.8% p.a. Further investments are made to separate fixed deposit accounts at 3, 6 or 12 months where interest is earned at an average of 9.15%.

Sales of goods are 40% above budget. The implementation of the E -PSiRA system for sale of goods yielded positive results as Certificate Renewals amount to (396 818 SO's and 3 902 SP's) and the sale of ID cards is (107 762 ID cards), numbers increased immensely as security service providers are finding it easy to renew and purchase cards online as opposed to previously receiving the service from the branches.

Sundry income is 109% above budget. The amount includes revenue from Sundry income, Penalties on refunds, Name changes, Letters of good standing and SASSETA Grants etc. The current variance is due to SASSETA grants amounting to R1.9 million received.

Annual fees 18% above budget. The Authority has seen an increase in annual fees in the 2023/24 financial year. A total of 16 453 SP's and 608 977 SO's are currently active and registered in the industry as of 31 March 2024.

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Course Reports are 26% above budget. The percentage above budget is due to 734 243 that were processed against a budget of 574 88 course reports. The ease of use of the Online System contributed to the increase of course reports projected.

Below is an explanation of variances below budget.

Rendering of services 32% below budget. This is due to less applications received for business profile changes.

Bad Debts Recovered 76% below budget. The economic conditions have forced many security services providers to close and they are struggling to come back into business.

Fines and penalties are 3% below budget. The loss in revenue is due to the Authority no longer imposing and collecting fines for labour related transgression since the formation of the Private Security Industry Bargaining Council.

Infrastructure re-assessment 83% below budget. This is due to security service providers satisfied the minimal requirements, which allowed them to be approved during the initial inspection.

Expenditure

Total Expenditure is 9% over budget.

Below is an explanation of expenditure variances which are 10% and below budget:

Finance costs are 100% below budget. This is due to timeous payment of creditors upon receipt of invoices for goods and services because of improved internal controls.

Depreciation and Amortisation 27% below budget. The decrease is due to online system not yet capitalised and other re assessment of useful life on assets.

Below is an explanation of expenditure variances which are 10% and more above budget:

Debtors Impairment Expense are 236% above budget. The expense is calculated on individually significant debtors owing amounts above R30 000, debtors that have not paid for a period of 2 years and debtors that have been withdrawn indicating the possibility of the debt becoming impaired. The number of debtors assessed as impaired was higher mainly from withdrawn companies (36%) and individually significant debtors (36%).

Repairs and Maintenance 41% above budget. The project for the renovation of the Arcadia building has been delayed as the Authority is currently in a process of assessing whether the current structure can be used or should be demolished. Old Arcadia building which is used by Forensic and investigation unit is very old and it is forever requiring maintenance on buildings and electrical faults.

Loss of disposal of assets 100% above budget: It due to assets that were lost through theft in our office and the authority wrote them off.

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28. Budget differences (continued)

Lease rentals of printing equipment 15% above budget. The 15% increase is due to the increase on additional machinery leased as result of the increase in staff complement and printing needs

Employee related cost is 11% above budget. Its due to salary increases, additional positions and contract personnel.

Statement of Financial Position

Property, Plant and Equipment. The increase of 34% is due to additional purchase of capital assets such as leasehold improvements on buildings, vehicles, computers, office furniture and other equipment.

Intangible assets. The increase of 403% relates to the capitalisation of e-PSiRA online system.

Inventory 48% above budget: The primary cause of this increase is ID cards and certificates that were not used at the end of the year.

Other receivables. 24% above budget .The amount includes deposits on rentals and debit balances on creditors. There were lesser debit balances on creditors at the end of December 2022

Prepayment. The decrease of 88% is due the clearing of UIF prepayment amounting to R30 million.

Asset In Progress. The increase of 34% relates to the purchased Law Enforcement and the Learner Management online Systems that will be capitalised once completed

Trade receivables. The increase of 24% is due to the billing of annual fees for the 2023/24 financial year. Additional billing is done throughout the financial year as new SSP are engaged and fines imposed for non-compliant SSP's.

Cash and cash equivalents. The increase of 41% is due to amounts received because of reserves created by surpluses in previous financial years and the billing done in April 2023. Funds received are transferred to a call account earning interest at 7.5% p.a. There are also continuous investments of excess funds in fixed deposit accounts at different intervals.

Principal Liability. The decrease of 62% is due to the clearing of liability of R30 million.

Operating lease liabilities. The increase of 2% is due to the new lease entered into for Durban office.

Payables from exchange transactions. The decrease of 21% is due to staff taking leave and payment of suppliers within 30 days.

Provisions. Provision for bonus payment has increased by 9% due to a deferred bonus provision that was implemented in the current financial year.

Net assets. Net assets increase is due to a surplus that has been made because of additional revenue collected.

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29. UIF Liability

| | | |
|---------------|-------------------|-------------------|
| UIF liability | 20 551 710 | 54 666 989 |
| | 20 551 710 | 54 666 989 |

PSiRA entered into an agreement with the Unemployment Insurance Fund (UIF) to implement the skills development programmes for the benefit of persons who have contributed to the Unemployment Insurance Fund and are currently unemployed to create opportunities for their employability. The UIF liability of R20 551 710 is the amount that has been included in cash and cash equivalents at 31 March 2024.

30. Prepayments

Prepayments

| | | |
|--------------------------|------------------|-------------------|
| Licences and memberships | 3 815 103 | 1 375 289 |
| UIF assets | - | 30 182 840 |
| | 3 815 103 | 31 558 129 |

Prepayments consist of licences, membership fees, and warranties on IT assets which are consumed over a specified period.

A large circular graphic with a gold border is centered on the page. Inside the circle, a hand is shown interacting with a digital interface, with a finger touching a glowing padlock icon. The background of the circle is dark with glowing orange and white lines representing a circuit board or data network. The text 'Part F:' is written in a large, bold, white font across the top of the circle.

Part F:

PFMA Compliance Report

1. Irregular, fruitless and wasteful expenditure and material losses

1.1 Irregular expenditure

a. Reconciliation of irregular expenditure

| Description | 2024 | 2023 |
|---|---------------|---------------|
| | R'000 | R'000 |
| Opening balance | 79 268 | 78 817 |
| Add: Irregular expenditure confirmed | 3 211 | 451 |
| Less: Irregular expenditure condoned | - | - |
| Less: Irregular expenditure not condoned and removed | - | - |
| Less: Irregular expenditure recoverable | - | - |
| Less: Irregular expenditure not recovered and written off | - | - |
| Closing balance | 82 479 | 79 268 |

Reconciling notes

| Description | 2024 | 2023 |
|---|---------------|---------------|
| | R'000 | R'000 |
| Irregular expenditure under assessment in 2023/24 | - | - |
| Irregular expenditure that relates to 2019/20 and identified in 2022/23 | 63,817 | 63,817 |
| Irregular expenditure that relates to 2021/22 and identified in 2022/23 | 15,000 | 15,000 |
| Irregular expenditure identified in 2022/23 | 451 | 451 |
| Irregular expenditure for the current year | 3 211 | - |
| | 82 479 | 79,268 |

b. Details of current and previous year irregular expenditure (under assessment, determination, and investigation)

| Description ¹ | 2024 | 2023 |
|---|---------------|---------------|
| | R'000 | R'000 |
| Irregular expenditure under assessment | 3 580 | - |
| Irregular expenditure under determination | - | - |
| Irregular expenditure under investigation | 82 531 | 79 268 |
| Total² | 86 111 | 79 268 |

c. Details of current and previous year irregular expenditure condoned

| Description | 2023/24 | 2022/23 |
|--------------------------------|---------|---------|
| | R'000 | R'000 |
| Irregular expenditure condoned | 0 | 0 |
| Total | 0 | 0 |

d. Details of current and previous year irregular expenditure removed - (not condoned)

| Description | 2023/24 | 2022/23 |
|--|---------|---------|
| | R'000 | R'000 |
| Irregular expenditure NOT condoned and removed | 0 | 0 |
| Total | 0 | 0 |

e. Details of current and previous year irregular expenditure recovered

| Description | 2023/24 | 2022/23 |
|---------------------------------|---------|---------|
| | R'000 | R'000 |
| Irregular expenditure recovered | 0 | 0 |
| Total | 0 | 0 |

f. Details of current and previous year irregular expenditure written off (irrecoverable)

| Description | 2023/24 | 2022/23 |
|-----------------------------------|---------|---------|
| | R'000 | R'000 |
| Irregular expenditure written off | 0 | 0 |
| Total | 0 | 0 |

Additional disclosure relating to Inter-Institutional Arrangements

g. Details of non-compliance cases where an institution is involved in an inter-institutional arrangement (where such institution *is not* responsible for the non-compliance)

| Description |
|--------------|
| |
| |
| |
| |
| Total |

h. Details of non-compliance cases where an institution is involved in an inter-institutional arrangement (where such institution *is* responsible for the non-compliance)

| Description | 2023/24 | 2022/23 |
|--------------|---------|---------|
| | R'000 | R'000 |
| | | |
| | | |
| | | |
| Total | 0 | 0 |

i. Details of current and previous year disciplinary or criminal steps taken as a result of irregular expenditure

| Disciplinary steps taken |
|--------------------------|
| |
| |
| |

1. Fruitless and wasteful expenditure

a. Reconciliation of fruitless and wasteful expenditure

| Description | 2024 | 2023 |
|---|-------|-------|
| | R'000 | R'000 |
| Opening balance | 15 | 13 |
| Add: Fruitless and wasteful expenditure confirmed | 52 | 82 |
| Less: Fruitless and wasteful expenditure written off | (15) | (80) |
| Less: Fruitless and wasteful expenditure recoverable | (42) | (1) |
| Closing balance | 8 | 15 |

Reconciling notes

| Description | 2024 | 2023 |
|--|-------|-------|
| | R'000 | R'000 |
| Fruitless and wasteful expenditure that was under assessment in 2023/24 | 52 | 83 |
| Fruitless and wasteful expenditure that relates to 2022/23 and identified in 2023/24 | - | - |
| Fruitless and wasteful expenditure for the current year | 52 | 83 |
| Total | - | - |

b. Details of current and previous year fruitless and wasteful expenditure (under assessment, determination, and investigation)

| Description ³ | 2023/2024 | 2022/23 |
|--|-----------|---------|
| | R'000 | R'000 |
| Fruitless and wasteful expenditure under assessment | - | - |
| Fruitless and wasteful expenditure under determination | - | - |
| Fruitless and wasteful expenditure under investigation | 10 | 3 |
| Total⁴ | 10 | 3 |

c. Details of current and previous year irregular expenditure recovered

| Description | 2024 | 2023 |
|--|-------|-------|
| | R'000 | R'000 |
| Fruitless and wasteful expenditure recovered | - | 1 |
| Total | - | 1 |

d. Details of current and previous year irregular expenditure not recovered and written off

| Description | 2023/24 | 2022/23 |
|--|---------|---------|
| | R'000 | R'000 |
| Fruitless and wasteful expenditure written off | - | 80 |
| Total | 0 | 80 |

e. Details of current and previous year disciplinary or criminal steps taken as a result of fruitless and wasteful expenditure

| Disciplinary steps taken |
|--------------------------|
| |
| |
| |

1.3. Additional disclosure relating to material losses in terms of PFMA Section 55(2)(b)(i) &(iii)

a. Details of current and previous year material losses through criminal conduct

| Material losses through criminal conduct | 2023/24 | 2022/23 |
|--|---------|---------|
| | R'000 | R'000 |
| Theft | | |
| Other material losses | | |
| Less: Recovered | | |
| Less: Not recovered and written off | | |
| Total | 0 | 0 |

³ Group similar items

⁴ Total unconfirmed fruitless and wasteful expenditure (assessment), losses (determination), and criminal conduct (investigation)

b. Details of other material losses

| Nature of other material losses | 2023/24 | 2022/23 |
|--|---------|---------|
| | R'000 | R'000 |
| <i>(Group major categories, but list material items)</i> | | |
| | | |
| | | |
| | | |
| Total | 0 | 0 |

c. Other material losses recovered

| Nature of losses | 2023/24 | 2022/23 |
|--|---------|---------|
| | R'000 | R'000 |
| <i>(Group major categories, but list material items)</i> | | |
| | | |
| | | |
| Total | 0 | 0 |

d. Other material losses written off

| Nature of losses | 2023/24 | 2022/23 |
|--|---------|---------|
| | R'000 | R'000 |
| <i>(Group major categories, but list material items)</i> | | |
| | | |
| | | |
| | | |
| Total | 0 | 0 |

1. Late and/or non-payment of suppliers

| Description | Number of invoices | Consolidated Value |
|--|--------------------|--------------------|
| | | R'000 |
| Valid invoices received | | |
| Invoices paid within 30 days or agreed period | 0 | 0 |
| Invoices paid after 30 days or agreed period | 0 | 0 |
| Invoices older than 30 days or agreed period (unpaid and without dispute) | 0 | 0 |
| Invoices older than 30 days or agreed period (unpaid and in dispute) | 0 | 0 |

Supply chain management

3.1. Procurement by other means

| No | Project Description | Name of Supplier | Contract Number | Type of procurement by other means | Contract Number | Value of contract |
|----|--|-------------------------|----------------------|--|-----------------|-------------------|
| 1 | Lease of Office Space for Durban | Growth Point Properties | PSIRA/200/RFB/17 | Tender was publicly published multiple times, but no suitable bids were received | | R4,748 |
| 2 | Lease of Office Space for Johannesburg | SKG PTY LTD | Nomination Procedure | Tender was publicly published multiple times, but no suitable bids were received | | R28,259 |
| 3 | Development of Transformation Charter | Transformax | Nomination Procedure | Tender was publicly published multiple times, but no suitable bids were received | | R2,306 |

3.2. Contract variations and expansions

Reporting of expansions and variations of contracts

| No | Project Description | Name of Supplier | Reason for expansion or variation of contract | Contract Number | Original contract value | Value of contract expansion or variation of contract | Value of Current Contract Expansions or Variations |
|----|---|----------------------------------|---|-------------------|---|--|--|
| 1 | Supply, installation, and maintenance of Wide Area Network | Jurumani Solutions (Pty) Ltd | Extension was necessary to afford the new service provider time to prepare implementation and to link the new public IP address of the newly appointed service provider on the fingerprint verification system. | RFB/2018/PSIRA/11 | R10,932 | R3,141 | R1,319 |
| 2 | Courier Services | Skynet South Africa | Extension was necessary to allow the process of creating a new account for the new contract and timely conclusion of the Service Level Agreement. | RT5-2020 | Per usage of current | R57 | R57 |
| 3 | Supply/develop, implement and maintain online examination/assessment module | Hosi Technologies | Additional scope of work to develop online assessment functionalities which were not included in the initial scope of the system. | PSIRA/2021/RFB/08 | R11,004 | R1,061 | R1,061 |
| 4 | Internal Audit | OMA Chartered Accountants | Additional scope of work to perform reassurance on the transactional billing of the online registration system. | PSIRA/2020/RFB/14 | R1,826 | R206 | R0 |
| 5 | Market Research Survey | Insurvey (Pty) Ltd | Additional scope of work to perform Employment Engagement Survey | PSIRA/2021/RFB/06 | R120 000 per survey | R15 | R0 |
| 6 | Leasing of office space: Durban | Delta Properties / Zeder Trading | Extension of lease was necessary to allow the finalisation of the new lease agreement. | RFB/2017/PSIRA/10 | R1 533 125.04 excluding electricity, rates, W&S | R954 | R1,074 |
| 7 | Leasing of office space: Johannesburg | City Properties Administration | Extension of lease was necessary to allow the finalisation of the new lease agreement. | RFB/2015/PSIRA/03 | R2 084 643.96 excluding electricity, rates, W&S | R2,158 | R2,158 |
| 8 | Cleaning Services: Centurion Office | Orizoe Services | Additional general workers to assist at Pretoria, Centurion and Johannesburg offices. | PSIRA/2021/RFB/02 | R1,220 | R240 | R257 |

| | | | | | | | |
|----|--|--|--|-------------------|--------|------|-----|
| 9 | Physical Security: Johannesburg | PCP Phetha Group SA | Night guard services to beef up security at Johannesburg office. | PSiRA/202/RFB/06 | R1,138 | R308 | R60 |
| 10 | Physical Security and Guarding for Nelspruit Regional Office | HM Security and Armed Response | Additional Guards needed to beef up security services after burglary incidents attempts in the Office. | PSiRA/2020/RFB/13 | R962 | R342 | R0 |
| 11 | Physical Security and Guarding of Mthatha Regional Offices | Marshal Nights Security | Additional Guards needed to beef up security services after burglary incident happened in the office | PSiRA/2020/RFB/07 | R1,038 | R298 | R0 |
| 12 | Physical Security and Guarding of Centurion Head Office | TDP Enterprise and Projects | Additional security guards needed due to threats identified in the top management block of Offices. | PSiRA/2020/RFB/03 | R1,080 | R720 | R0 |
| 13 | Physical Security - Polokwane | Ligit Security Solutions | Extension is necessary to finalise the process of appointing the new service provider. | PSiRA/2020/RFB/12 | R931 | R129 | R0 |
| 14 | Physical Security – Pretoria | Sbu and Sbo Protection Services | Extension is necessary to finalise the process of appointing the new service provider. | PSiRA/2020/RFB/11 | R1,075 | R90 | R0 |
| 15 | Physical Security – Arcadia | Mokondellelo Protection Services | Extension is necessary to finalise the process of appointing the new service provider. | PSiRA/2020/RFB/09 | R1,235 | R103 | R0 |
| 16 | Physical Security – Bloemfontein | Bohlale Risk Protection | Extension is necessary to finalise the process of appointing the new service provider. | PSiRA/2020/RFB/04 | R1,066 | R89 | R0 |
| 17 | Physical Security – Belville | Wenzile Phaphama Security Services | Extension is necessary to finalise the process of appointing the new service provider. | PSiRA/2020/RFB/10 | R1,126 | R94 | R0 |
| 18 | Physical Security – Durban | Left Right and Centre Security Services and Cleaning | Extension is necessary to finalise the process of appointing the new service provider. | PSiRA/2020/RFB/08 | R1,172 | R98 | R0 |
| 19 | Physical Security – Port Elizabeth | Silver Solutions 1522 CC | Extension is necessary to finalise the process of appointing the new service provider. | PSiRA/2020/RFB/05 | R1,184 | R99 | R0 |
| 20 | Control Room Operations – Head Office | Smada Security Services | Extension is necessary to finalise the process of appointing the new service provider. | PSiRA/2020/RFB/01 | R3,058 | R246 | R0 |
| 21 | Armed response and alarm system - Pretoria | Fidelity ADT and Technical | Extension is necessary to align the contract with the lease for Pretoria office which expires on 30 June 2024. The lease was extended from 01 July 2024 to 30 September 2024, the contract was further extended by 3 months. | PO04383 | R33 | R9 | R4 |

| | | | | | | | |
|----|--|--------------------------------|--|-------------------|---------|------|----|
| 22 | Night, weekend and public holidays Guard and Dog Services at Arcadia Office | Rakhutsetsa Security Services | Extension is necessary to beef up security at Arcadia Office. | PO05806 | R217 | R72 | R0 |
| 23 | Supply, install and manage SD-WAN and disaster recovery site | Cloud Network Solutions | Emergency request for additional hardware and fibre link infrastructure for Johannesburg and datacentre sites | PSiRA/2022/RFB/14 | R15,919 | R799 | R0 |
| 24 | Development of transformation charter/sector for the private security industry | Transformex | 2 additional virtual consultations to ensure maximum outreach to the industry. | PSiRA/2022/RFB/17 | R2,306 | R76 | R0 |
| 25 | Software system support and maintenance for SAGE Evolution | Finware Enterprise Sysytems CC | Additional scope of work for updating of chart of account structure and development of BIC Reports for financial reporting purposes. | PO05902 | R323 | R60 | R0 |





PSiRA

Private Security Industry Regulatory Authority

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