

For Immediate Release

23 October 2013

PSiRA REMAINS COMMITTED TO ENFORCING COMPLIANCE IN THE INTEREST OF THE SOUTH AFRICAN PUBLIC

In light of the recent statement issued by the Parliament's Police committee suggesting that the "Private Security Industry Regulatory Authority (PSiRA) should close its doors, because of its continued financial issues", the Authority hereby declare this statement in accurate and not representing the true financial performance of PSiRA.

Financial Performance of PSiRA

Since the implementation of the turnaround strategy in 2010 to end of 2012/13 financial year, PSiRA's revenue has grown by 63% from R97.95 million in 2010/11 to R160.05 million in 2012/13 financial year.

During the 2012/13 financial year PSiRA implemented several measures that were aimed at ensuring financial sustainability for the Authority.

Strict expenditure controls were put in place during the 2012/13 financial year and these resulted in a saving of R29.02million on operating expenses. We decreased the number of debtor's days from 14 days to 12 days in 2012/13 and this demonstrates an improvement when compared to the situation in 2011/12. We have also noted steady a improvement on the entity's current ratio of .87 from .70 in the previous year.

"Although the current financial performance results reflect continued deficits, the entity's performance has improved significantly by 83% from R-23.05 million in 2010/11 to R-3.97 million in 2012/13 fiscal year. PSiRA posted a deficit of R-3.97 million for the year ending 31 March 2013, compared to R-9.87 million deficit in 2011/2012. This represents an improvement of 60% over the previous financial year" said the Executive Chairperson of PSiRA, Mr Thula Bopela.

Wasteful Expenditure

The amount of more than R200 million wasteful expenditure is absolutely incorrect and grossly misleading the public. The correct amount on wasteful expenditure as audited by the Auditor General of South Africa is R397,615 and this amount include SARS interest and penalties, CCMA settlements and interest on creditors accounts.

Fulfilling our core mandate

Despite resource challenges, PSIRA's performance was exceptional in their core areas of business, namely compliance and registration. During the 2012/13 financial year, PSIRA stepped up its compliance inspections dramatically, with 23 827 inspections conducted, as compared to 7 669 during 2011/12. This is the highest number of inspections ever conducted by PSIRA, and with very limited resources. The Legal Services Unit successfully prosecuted 1 323 improper conduct cases of the 1 562 summonses issued. The PSIRA register grew by 4,27% to 445 407. The increasing efficacy of the Authority's compliance and enforcement strategy is reflected in the 727 criminal cases opened by inspectors in 2012/13, as compared to the 240 cases during the previous financial year. This is an increase of 203%.

Qualified Audit

Since the introduction of the turnaround strategy in 2010, PSIRA received an unqualified audit opinion by the AGSA for two consecutive financial year namely 2010/11 and 2011/12. However, during the 2012/13 financial year, PSIRA received a qualified audit opinion as a result of unidentified payments received from customers (security officers & security service providers) and credit balances lying against debtors accounts. Both these matters date back a few years ago and have resulted in a huge number of transactions/data which still need to be analysed and processed. A corrective action plan has been developed to clear the backlog and to put measures in place to ensure non occurrence of these matters in the future.

“Although we still have a lot to achieve towards fulfilling our mandate, we remain committed towards servicing and protecting the interest of the South African public through effective industry regulation and compliance” said Mr Thula Bopela, Executive Chairman on PSiRA.

About PSIRA

The Private Security Industry Regulatory Authority (PSIRA) was established in 2002, in terms of Section 2 of the Private Security Industry Regulation Act 56 of 2001. The strategic mandate of PSIRA emanates from the Act and the regulations issued in terms of the Act. The primary objectives of PSIRA are to regulate the private security industry and to exercise effective control over the practice of the occupation of security service provider in the public and national interest and in the interest of the private security industry itself.

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