



An tÚdarás Slándála Príobháidí
The Private Security Authority

ANNUAL REPORT 2013

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Foreword by Noel Lappin, Chairman of the Private Security Authority

I am pleased to present the first annual report of the third board of the Authority which took office in July 2013. This has been a busy period as the new Board sought to build on the work of the previous Board whose term of office finished in 2012 and I would like to thank the Board and the Executive for their efforts during this time.

Since taking office the Board has held four formal board meetings and has formed an Audit and a Strategy Steering committee: both committees have held a number of meetings. In addition Board representatives have held several very informative meetings with representatives of the Cash in Transit sector. It is my intention to continue this programme of meeting with industry representatives during 2014.

As part of its work programme the Board has progressed a number of key Authority projects, these include the appointment of a panel of external inspectors, the introduction of licensing for the staff providing cash in transit security services and the conclusion of regulations which will clear the way for licensing of businesses providing event security. In addition the Board approved a reduction in the cost of licence fees charged to start-up and small businesses providing security services. This reduction has delivered savings of 45% to smaller contractors while start-up businesses will benefit from a 55% reduction.

As I look forward to 2014 and the continuing development of the security sector I am pleased to note that work has commenced on developing a new strategy to replace that which concluded at the end of 2013. This strategy will necessarily build on the work completed to date and will need to concentrate on completing the roll out of the Authority's mandate, while at the same time ensuring that those sectors already regulated maintain their high compliance levels.

Key to the new strategy is a wide-ranging consultation with all key stakeholders, this consultation has already taken place and it is our intention to launch the new strategy by mid 2014. It is also important to note that the rapid pace of development of technology will have a significant impact on the security sector and it is critical that this is taken into account.

The new strategy will have to take into account the constraints that the economic climate places on the resources available to the Authority. The impact of these constraints must be recognised as necessary resources are applied to the regulation of the remaining areas of our mandate, it is critical that this is not to the detriment of on-going compliance work. Key to the efficient use of resources is the development of the IT capability of the Authority, particularly relating to the website and data processing. This development

needs to be targeted at reducing administrative burdens and releasing resources to areas of regulation and compliance.

I look forward to working with the Board, the Executive, the industry and other stakeholders as we develop our new strategy and role out our mandate for the betterment of the industry, its employees, clients and the wider public.



Introduction by Geraldine Larkin, Chief Executive Officer

I am delighted to report on the activities of the Private Security Authority for 2013. The year saw an increase in the numbers licensed, primarily because of the continued growth in those licensed to provide electronic security and the licensing of staff in Cash in Transit. Numbers also increased because of an increase in the renewal rate of contractors – up 2% to 88% in 2013.

2013 was an exciting year for the PSA, in that a team of outsourced inspectors was introduced to bolster our in-house inspection resources. This team is regionally based and provides a local response to intelligence reports thus enabling the PSA build up local on the ground information. With this new resource, investigative work identifying those who are unlicensed will become more focused during 2014 as the emphasis shifts from identification to prosecution of unlicensed providers. This activity will ensure that all those providing private security are licensed and are providing services to the standards specified by the Authority. It also ensures that clients of the industry can be assured of a quality service from providers and have a formal complaints mechanism if security services are not provided in accordance with these standards.

External inspectors enable us focus our internal inspectors on more in depth monitoring and inspection of the highest risk providers. This combined with the statutory complaints mechanism and the Authority's ability to suspend and where necessary revoke licences gives clients of the industry additional reassurance of services being provided to a high standard.

July 2013 was a key milestone in the development of the Authority with the appointment of the third Board of the PSA under the chairmanship of Mr Noel Lappin. The new Board members have brought a fresh perspective to the work of the Authority and I have no doubt that their combined expertise will greatly benefit the PSA in the future regulation of the industry.

I want to acknowledge the continued support of those within the industry who continue to give of their time to further develop licensing and raise standards. This may be through participation in one of the many consultative groups currently in operation, engagement with our inspectors or leading industry deliberations external to the PSA so as to bring forward proposals to the Authority.

Our work is facilitated by the resourcing provided by the Minister for Justice and Equality, the practical support of those within the Department, the Garda Síochána and other Government Departments. This support is critical to our ongoing success of the PSA.

Finally I want to acknowledge the work of the staff of the PSA and their constant support in delivering on licensing and raising standards in the industry.



Section 1:

Who We Are and What We Do

WHO WE ARE

The Private Security Authority (PSA), established pursuant to the Private Security Services Acts 2004 and 2011, is the statutory body with responsibility for licensing and regulating the private security industry in Ireland. The Authority is independent in the exercise of its functions with its headquarters based in Tipperary Town. A team of staff inspectors, supported by a panel of external inspectors, provides the Authority with a nationwide inspectorate resource to ensure ongoing monitoring of licensed and unlicensed activity.

The Authority is licensing the security industry on a phased basis and the above legislation identifies the sectors of the industry that are to be regulated. These sectors are as follows:

- Door Supervisor
- Supplier or Installer of Security Equipment
- Private Investigator
- Security Consultant
- Security Guard
- Provider of Protected Forms of Transport (CIT)
- Locksmith
- Supplier or Installer of Safes

The Board of the Private Security Authority

- Mr. Noel Lappin (Chairperson)
- Assistant Commissioner Derek Byrne, An Garda Síochána Representative
- Mr. Padraic Cafferty, Employer Representative
- Ms. Helen Curley, Minister for Jobs, Enterprise and Innovation Representative
- Mr. Arthur Hall, Employee Representative
- Ms. Geraldine Kelly, Legal Representative
- Ms. Mary Rose Kinane, Staff Representative
- Ms. Freda O'Dowd, Employers Representative
- Ms. Ann Reid, Discretionary Non Defined Appointee
- Ms. Marion Walsh, Minister for Justice and Equality Representative
- Mr. Christy Waters, Employee Representative

The above Board was appointed by the Minister for Justice and Equality on 22 July, 2013 and 4 meetings were held during the year. The table over summarises attendance at these meetings.

The Audit Committee of the Board comprising Ms. Geraldine Kelly and Ms. Marion Walsh held 2 meetings and the Committee met with an auditor from the Comptroller & Auditor General's Office in December 2013. A Strategy Committee was established to develop the next PSA strategy. This committee also had two meetings in 2013.

Board Member	30/07/13	23/09/13	14/11/13	09/12/13
Noel Lappin	✓	✓	✓	✓
Derek Byrne	x	x	✓	✓
Padraic Cafferty	✓	✓	✓	✓
Helen Curley	✓	✓	x	✓
Arthur Hall	✓	✓	✓	x
Geraldine Kelly	✓	✓	✓	✓
Mary Rose Kinane	✓	✓	✓	✓
Freda O Dowd	✓	✓	✓	✓
Ann Reid	✓	✓	✓	✓
Marion Walsh	✓	✓	✓	✓
Christy Waters	✓	✓	✓	✓

OUR ROLE

Our key role is to ensure that the PSA licence is a living instrument and to prove that licensing standards have not only been achieved but are being constantly maintained by licensees thus protecting the interests of industry consumers and the wider public. The PSA is accountable through its Board and in accordance with the Private Security Services Acts 2004 and 2011 has the following statutory mandate:

- Controlling and supervising people who provide security services and maintaining and improving standards in the provision of those services.
- Granting and renewing licences.
- Issuing identity cards to licensees.
- Suspending and revoking licences.
- Establishing and maintaining a register of licensees.
- Specifying standards to be observed in the provision of security services.
- Specifying qualifications or requirements for the granting of licences.
- Undertaking or commissioning research projects and activities necessary for the planning, development and provision of those services.
- Investigating security services being provided by any person.
- Establishing and administering a system of investigation and adjudication of complaints.
- Monitoring the provision of private security services generally.
- Liaising with licensees.
- Advising the Minister for Justice and Equality on any matters relating to the above functions and keeping the Minister informed of developments that would assist in developing policy.

OUR MISSION STATEMENT

The mission of the Private Security Authority is:

To regulate the activities of those involved in the private security industry to ensure that the interests of consumers are fully protected through the establishment, promotion, monitoring and enforcement of appropriate standards.

The PSA is charged with introducing, controlling and managing a comprehensive licensing system through a system of standards, safeguards and enforcement. The key responsibilities of the Authority are to licence those providing security services and the main objective is to improve and maintain standards in the provision of these services. Raising the standards, the level of professionalism and skills within the industry benefits everyone by improving service delivery, ensures that legitimate businesses are not at a disadvantage in the marketplace, encourages and promotes best practice amongst private security providers and their employees to ensure that consumers and the public have the highest confidence in the industry.

In areas where licensing has yet to commence the Authority sets out the work to be completed to commence regulation and draws on the experiences learned to date in respect of regulation. This work will be undertaken in a manner that delivers for the consumer while being sensitive to the needs of the market and while working with the private security industry.

The Authority works in partnership with the industry comprising of both employers and employees and references to the private security industry throughout this document are references to both identities.



Section 2:

Our Goals

Our Goals

The Mission Statement of the Private Security Authority is translated into action through six key goals as set out in our second Strategy Statement. In summary these goals are as follows:

Goal 1: Continue the phased regulation of the private security industry

Goal 2: Ensuring compliance with licensing requirements

Goal 3: Raising standards within the Industry

Goal 4: Improve quality and frequency of communications

Goal 5: Developing our staff

Goal 6: Revise the method of proving compliance with licensing standards

Goal 1: Continue the phased regulation of the private security industry

Regulatory Progress

Section 2 of the Private Security Services Acts identifies 8 security services subject to licensing by the Authority. These are Door Supervisor, Installer of Security Equipment, Locksmith, Private Investigator, Provider of Protected Forms of Transport, Security Consultant, Security Guard and Supplier or Installer of Safes. For ease of regulation the Authority has sub-divided some of the services in to sub-sectors. For example, the Installer of Security Equipment currently comprises of 3 sub-sectors, Access Control, CCTV and Intruder Alarm. Likewise Security Guarding includes guarding, event security and alarm and CCTV monitoring.

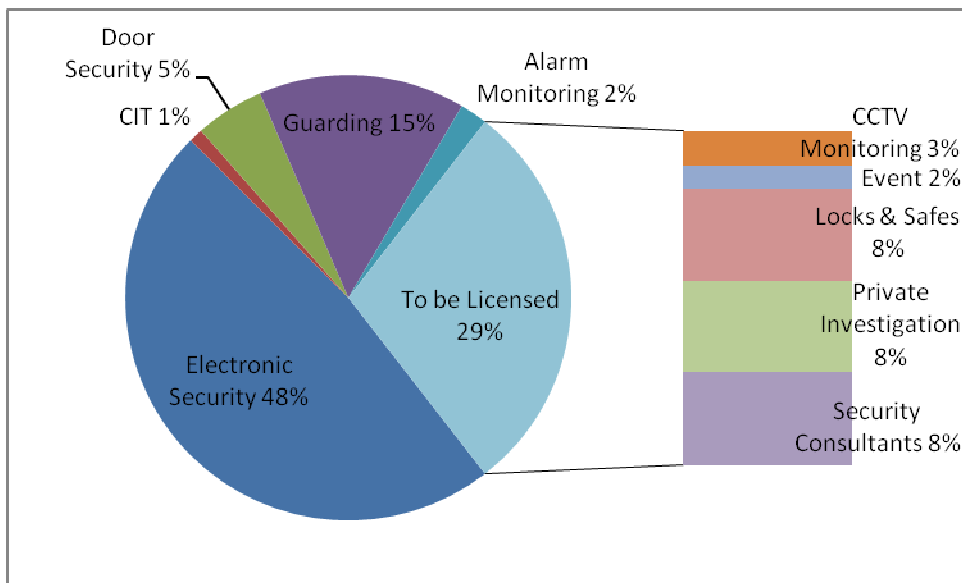


Figure 1 Overview of businesses in the industry showing those licensed / to be licensed

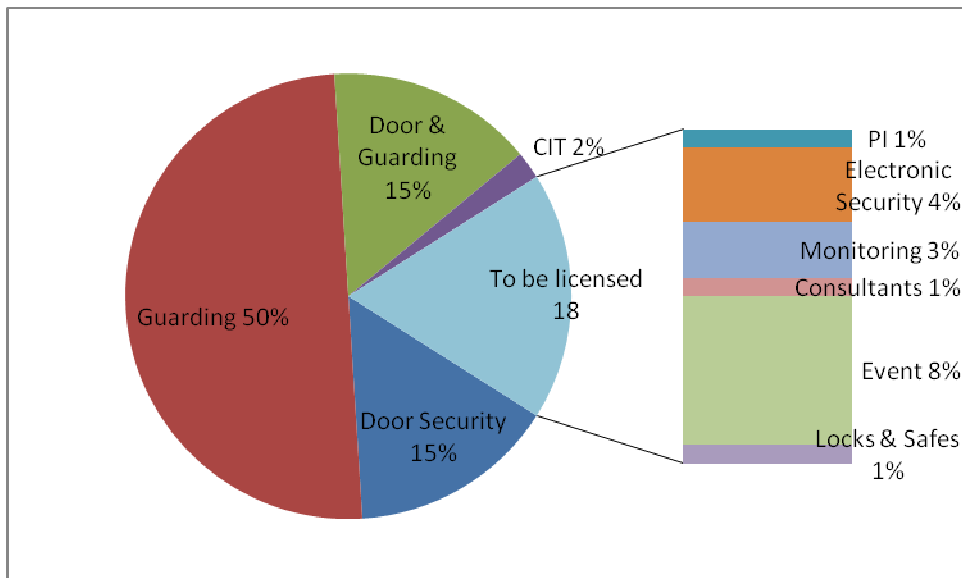
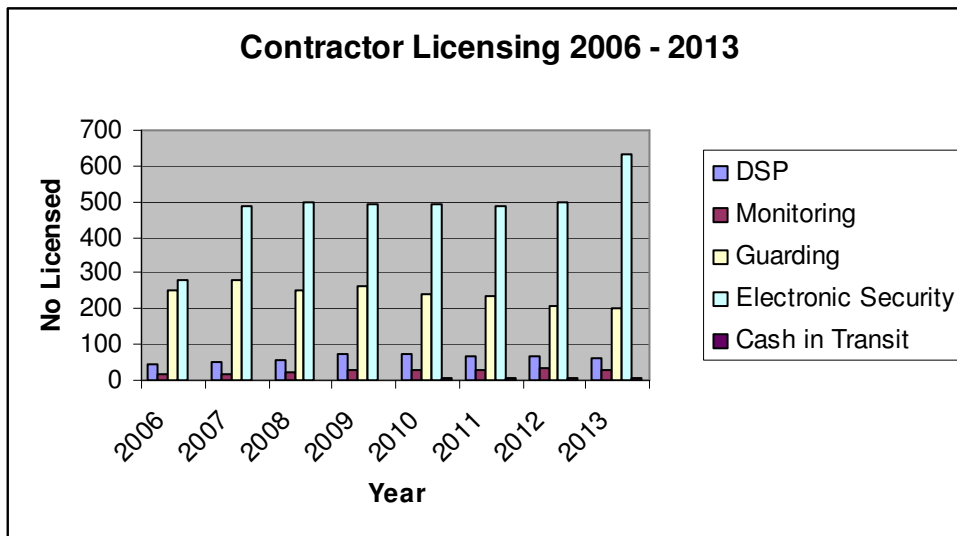


Figure 2 Overview of individuals in the industry showing those licensed / to be licensed

Contractor Licensing

Overview

2013 was another eventful year for contractor licensing. A revision of the licence fee structure impacted 590 licence holders and resulted in 280 receiving refunds from the Authority during the second half of the year. At the end of the year there were 840 contractors licensed to operate across 7 sectors, this compares to 723 across 7 sectors at the end of 2012.



(Contractors may operate in more than one sector)

From 2013 electronic Security includes Access Control, CCTV and Intruder Alarm sectors. Prior to this date, electronic security included the Intruder Alarm sector only.

Contractor licence fees for the year totalled €963,654 compared to fees of €1,441,773 in 2012. The difference is accounted for by the two year licence cycle with 2012 and 2014 having a larger volume of renewals. The corresponding figure in 2011 was €763,450.

Following on from the restructuring of the licence fee in 2013, refunds of €255,761 were made to contractors in the second half of the year. As a result, the net amount received in licence fees for 2013 totalled €707,893.

New Fees Model

Following approval from the Minister for Justice and Equality, the Board of the Authority introduced a new fee structure for contractor licensing. The licence fee paid by contractors with a turnover of €300,000 or less reduced from €2,250 to €1,250 resulting in an overall reduction of 45% for contractors. Other changes saw new businesses starting up in the security industry having their fee reduced by 55% from €2,250 to €1,000 while contractors operating across multiple sectors of the security industry benefited from changes in how fees were calculated.

The new structure was effective from the 1st January 2013 and some 280 contractors were entitled to refunds as a result of the changes. Overall, it is estimated that 75% of contractors will benefit from the fee changes at their next licence renewal.

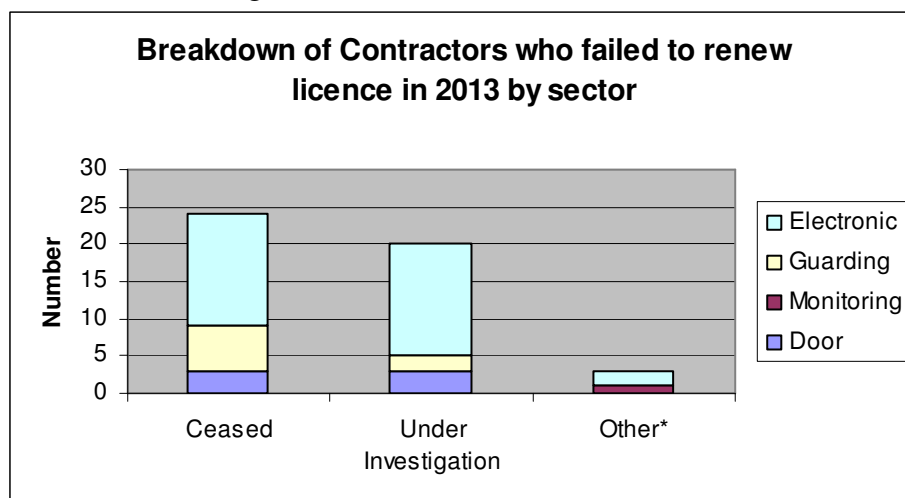
Contractor Licence Fees from the 1st January 2013

Turnover	Licence Fee
Greater than €10 and not exceeding €0.3 million	€1,250
Greater than €0.3 million and not exceeding €0.625 million	€2,250
Greater than €0.625 million and not exceeding €1.25 million	€3,500
Greater than €1.25 million and not exceeding €3.75 million	€6,000
Greater than €3.75 million and not exceeding €10 million	€10,000
Greater than €10 million	€20,000

Application Processing

During the year a total of 426 contractors lodged applications comprising of 166 first time applications and 260 renewal applications. Contractors may apply for more than one sector at a time, so this equated to applications in 979 sectors. 55 (13%) of the applications received were rejected on receipt as being invalid due to incomplete supporting documentation. Of these 44 applications were subsequently re-lodged and accepted leaving 11 cases rejected at the end of the year. A further 5 applications were refused after failing to meet the licensing requirements.

260 (88%) of the 294 contractors who were scheduled to renew their licence during the year had done so by the end of the year. The non-renewal rate of 12% is down on the 14% rate in 2012 and is the lowest rate recorded since the renewal of contractor licences began in 2008. There can be a number of reasons for not renewing licences including consolidation in the industry, change in legal status (for example a move from sole trader to limited company) or business closure. The table below provides an analysis of the 34 contractors who did not renew during 2013. Where the Authority hasn't confirmed the reason for the non-renewal the case is referred for enforcement action to ensure that the contractor is not continuing to trade.



(Contractors may operate in more than one sector)
 *Contractor moved from sole trader to limited company.

Temporary Licences

In June the Authority replaced the installer exemption scheme with a new temporary licence. As with the exemption scheme the purpose of the temporary licence is to allow start up businesses complete the required number of installations to achieve compliance with the relevant standards.

60 temporary licences were issued in 2013 and at the end of the year 58 were still active. Temporary licences are issued for a period of 6 months within which time applicants must complete the required number of installations needed to obtain the licensing standards. This differs greatly from the exemption scheme where exemptions were extended until such time as the applicant had obtained certification.

The last installer exemption was issued in May and at the end of the year there were 35 exemptions still active.

Compliance

Ongoing monitoring of contractors during the two year licence period is an important facet of the licensing regime. Failure to maintain the requirements of licensing can result in a licence being suspended or revoked. The decision to revoke or suspend a licence is not taken easily and the Authority goes through an extended engagement process with the contractor before reaching this stage.

8 contractor licences were revoked during 2013 while 3 contractor licences were suspended for a period. In addition, the Contractor Licensing Unit issued 1 Caution Notice, 1 Warning Notice and 2 Reprimand Notices to contractors during the year for breaches of licensing regulations.

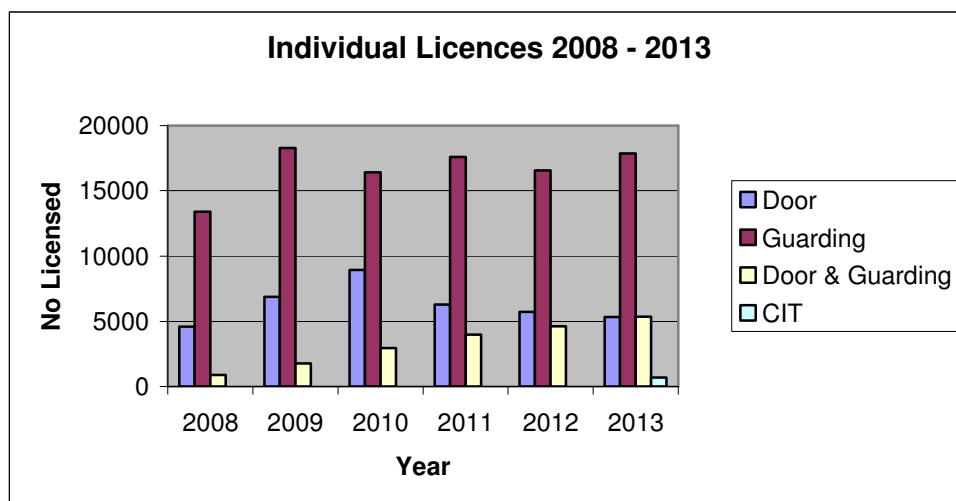
Contractors may appeal decisions of the Authority to the Private Security Appeal Board, an independent body established by the Minister for Justice and Equality. There were 2 appeals to the Private Security Appeal Board in 2013 against decisions of the Authority. This is the lowest number of contractor appeals lodged with the Appeal Board since licensing commenced. The Appeal Board upheld the decision of the Authority in both cases. One case relating to a decision from 2012 remains outstanding with the Appeal Board.

Individual Licensing

Overview

The main items of note for individual licensing in 2013 were the introduction of licensing of Cash-in-Transit employees and the introduction of a new on-line facility. Cash-in-Transit licensing commenced in May and to date 687 licences have issued to employees in that sector. An on-line facility was introduced whereby individual licence holders and new applicants can log on to our website and fill out an application form on-line. This facility also included the option to pay the licence fee on-line. The Authority sees this as just the first step in ongoing automation of our application process which will enhance the services available to our customers.

In total the number of licences in circulation by the end of the year was 29,239.



Application Processing

In total, 14,156 individual licence applications were received in 2013: these were comprised of 5,227 first time applications and 8,929 renewals. In 2013, 11,278 licences expired, of these 5,541 were renewed resulting in a renewal rate of 49%. Careful monitoring of the renewal rate will continue during 2014.

Impact of Licences Expiring and Licences Issuing in 2013

	Licences Expired	Licences Renewed	First Time Licences Issued	Total Licences Issued	Variation: Licences Issued Over Licences Expired
2013	11,278	5,541 (50.7%)	5,367 49%	10,908 (100%)	-370 (-0.3%)

The table above shows that the percentage of first time licences relative to all licences issued in 2013 is 49%. Excluding those applications relating to the introduction of licensing in the Cash-in-Transit sector the figure is 45%. This percentage is in excess of last years experience when the comparable percentage was 31%. The comparable figure for 2011 was 61%. This initial trend shows that in the licensing cycle of two years the second and fourth years following the initial introduction of licensing for security guards and door supervisors in 2008 have a more pronounced ratio of renewals to first time applicants while the third and fifth years following from 2008 somewhat reverses the ratio.

Processing Averages

2013 saw average processing times for first-time applications at 92 days over the whole year. Average processing time for renewal applications is at 5 days for the same period. The combined (i.e. first-time and renewal applications) average processing time stands at 45 days for the year.

The processing times of first time applications is greatly influenced by the vetting process. There is significant difference in vetting times between applications where vetting processes prompted additional vetting enquiries and applications where no additional vetting requirements above the ordinary was required. In terms of average vetting times the figures for the first half of 2013 were 112 days in respect of cases where

vetting processes prompted additional vetting enquiries to be followed up and it was 93 days in the latter half of 2013. The corresponding figures for cases where no additional vetting enquiries were required are 26 days and 24 days respectively.

The Authority continued to examine ways of improving all vetting times with the Vetting Unit of the Garda Síochána. The additional resources assigned to the Garda Vetting Office in the latter part of 2013 are evident in the vetting timeframes.

Applications Rejected in 2013

Individual applications are rejected for a variety of reasons, including insufficient submission of supporting documentation, incorrectly completed documentation and absence of payment. In 2013, 2,088 applications were rejected by the Authority (an average of 174 per month). This compares with 2,354 rejections in 2012 and 2,700 in 2011. As time goes on the trend above indicates that familiarity with the requirements of the application process has improved and will eventually eliminate or continue to significantly reduce the number of rejected applications.

Revocations and Suspensions

The monitoring of licence holders during the term of the licence is an important aspect of licensing. Where the Authority finds that a licence holder has breached the requirements of licensing it can suspend or revoke a licence. In 2013, 12 individuals had their licence suspended due to criminality related issues.

Appeals against Refusals, Suspensions and Revocations

The Authority refused 48 individual applications in 2013. The main reason for refusing applications related to whether an individual was a fit and proper person to provide a security service as provided for in our Act and as outlined in our Fit and Proper Assessment Guidelines. Most of these cases related to criminal convictions or court cases pending.

All individuals who are dissatisfied with a decision of the Authority in relation to their application for a licence have a statutory right of appeal. In 2013 there were 10 appeals against the Authority's decision to refuse to grant a licence lodged with the Private Security Appeal Board. In addition there were 4 appeals against decisions to revoke existing licences. At the end of the year 12 appeals awaited a determination by the Appeal Board.

Looking Forward to 2014

In 2014 the Authority will continue to monitor our licensing processes and look to progress work on expanding our licensing remit into as yet unlicensed sectors. Our goal is to expand the range of on-line services available to our customers as well as refine and improve our existing services.

Goal 2: Ensuring compliance with licensing requirements

Overview

The Authority ensures compliance with the licensing requirements by monitoring those who are licensed and by taking action against those in breach of the Private Security Services Acts 2004 and 2011. As part of its enforcement process the Authority brought one successful prosecution through the Courts during 2013. This case was taken against an unlicensed door security company and resulted in fines and costs of €2,734 being awarded by the Court.

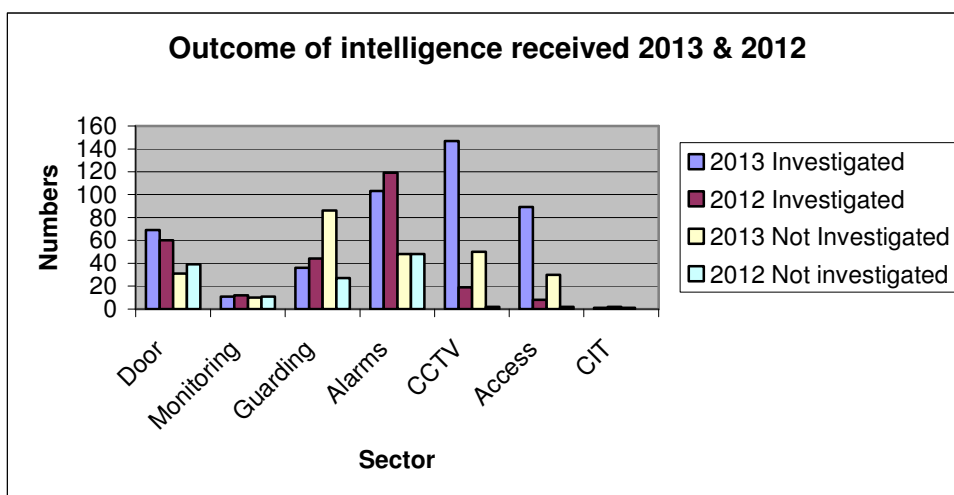
Licensees are subject to ongoing monitoring through a series of scheduled announced and unannounced inspections. The PSA also investigates complaints or intelligence brought to its attention and depending on the findings can take action up to suspension and revocation of licences where necessary. Unlicensed security providers either individuals or contractors and clients availing of unlicensed services are also detected through such monitoring and investigation. This reporting of unlicensed security providers together with the reporting of breaches of licensing conditions continues to be a vital and effective tool in targeting those operating illegally in the sector or outside the terms of their licence. In addition the Authority continued to work closely with the private security industry, An Garda Síochána, Revenue, Social Protection and other state agencies in carrying out its enforcement function. A panel of external inspectors was introduced in 2013 to deepen the pool of inspection resources available to the Authority and further enhance this monitoring, investigation and enforcement activity.

The Authority also undertook a public information campaign on national and local radio to raise awareness of the ongoing need for compliance in the industry. The campaign focussed on electronic security and reflects the priority given to compliance work in this sector during 2013.

In 2014 the Inspectorate will expand its scheduled and unscheduled inspections, whilst continuing to respond to all complaints and intelligence received. The external inspectors will play a significant role in enabling this expansion.

Intelligence

Intelligence from the industry and the public continues to be a key aid to the Authority in targeting its inspection resources. Intelligence reporting has increased significantly, in 2013, 712 reports were received, this compares with 391 received in the same period in 2012. The increase can be attributed to the commencement of licensing of CCTV and Access Control with 316 reports relating to these sectors. A significant but stable number of reports (36%) end up not being investigated as the case has already been investigated, the intelligence is insufficient or because the contractor is licensed. In 2014 the Authority will upgrade its website so that checking the licensing status of a company or individual is easier, and will also improve the reporting mechanism so that the minimum information necessary to investigate a report is made clear to the complainant.



Not investigated means that the intelligence supplied was insufficient or that the contractor/individual is licensed and that was the basis of the intelligence supplied

Case Management

A total of 1,086 enforcement cases were managed during 2013, an increase of 154 (17%) on the 2012 total. This can largely be explained by the increase in intelligence and enforcement activity resulting from the commencement of licensing of CCTV and Access Control with some impact in Quarter 4 from the activities of the external inspectors. The following chart sets out the position regarding the aging of all live cases as at the end of December 2013:

	2010	2011	2012	2013
Total Completed to date	1,962	1,564	924	843
Completed in 2010	1,582	0	0	0
Completed in 2011	375	304	0	0
Completed in 2012	10	255	804	0
Completed in 2013	1	5	120	843
Live end 2013	8	1	8	243
Total Cases	1,970	1,565	932	1,086

(Total live cases at 31 December, 2013 = 260)

The PSA Inspectors, on an ongoing basis, review all open enforcement cases, ensuring that they are processed, investigated, managed and brought to a conclusion. Particular emphasis is placed on reviewing cases over 3 months old, however, a small number of cases cannot be resolved while the Authority waits for other legal processes or investigations to complete. At the end of 2013, there were 260 live cases on hand of which 17 (7%) were more than 12 months old. It is the policy of the Authority, not to

close a case until it is satisfied that all reasonable steps have been taken to fully investigate and resolve the issues.

There were two enforcement actions appealed to the Appeal Board in 2013; both were adjudicated in favour of the Authority.

Contractor Compliance – PSA Monitoring

Monitoring of licensed contractors continued to be an important focus during 2013. In total 94 licensing inspections, of which 19 were pre-licensing inspections, were carried out this year, similar to the number of inspections (91) that took place in 2012. The purpose of these inspections is to ensure that the contractors continue to operate within the remit of the licence granted and that they met fully the conditions of the standard and other requirements set out for that licence.

While a majority of licensees were found to be compliant, where non-conformances are identified reprimands, warnings, cautions and advices may be issued against licensees demanding that corrective action be undertaken. The PSA inspectorate follows up on these formal notices to ensure that all non-conformances are corrected.

The Inspectorate carried out 75 inspections of licensed contractors with the following outcomes:

Outcome	No. of Contractors
Fully Compliant	38 (51%)
Category 1 Major non conformities <i>Serious findings that would lead to doubt that the management system can deliver the objectives of the organisation</i>	23 (31%)
Category 2 Minor non conformities <i>Less serious findings such as a minor lapse in procedures or process</i>	4 (5%)
Category 3 Recommendation non conformities <i>Recommendations to improve procedures and processes</i>	10 (13%)

The fully compliant and the less significant category 3 non-conformity outcomes account for two thirds of those inspected. The level of category 1 and 2 non-conformity outcomes remains unacceptably high.

The main non-compliance issues found related to staff screening, staff on-site training, key-holding records, site assignment instructions and health and safety. Overall, 31% of the licensed contractors inspected were found to have at least one Category 1 non-conformity (e.g. screening, health and safety issues), i.e. issues that would have prevented the contractor from getting an I.S.999 Certificate and becoming licensed in the first place. The highest incidence of Category 1 non-conformity outcomes was found in the Security Guarding, Door Security and the combined Guarding /Door Security sectors with contractors that had less than 50 licensed employees.

Formal sanctions against Contractor Licensees

During 2013, as a result of inspections undertaken on licensed contractors and investigations pursuant to intelligence received, the Authority issued 11 Warning, 3 Caution and 10 Advice notices to licensed contractors. These are decreased in comparison with 2012 when the Authority issued 3 Reprimand, 10 Warning, 10 Caution and 29 Advice notices. This is a positive development as it reflects a maturing of licensing in established licensed sectors, manifested as reduced frequency and severity of issues found and better responsiveness to correct any issues identified.

Individual Compliance

During 2013, the Inspectorate targeted individuals in the Door Supervisor and Security Guarding sectors for compliance with licensing and the requirement to wear ID badges by carrying out unannounced inspections on licensed premises and other locations where manned security services are provided. Inspections on 834 premises around the country were carried out at night, during the day and at weekends on 110 occasions (78 occasions to premises with door staff and 32 occasions to premises with security guards). Periodically, inspectors are supported by members of An Garda Síochána. Joint inspections occur on occasion with officials of the Revenue Commissioners.

These individual inspections are also an opportunity to check the licence status of contractors providing security. There were no cases of unlicensed contractors detected in these unannounced inspections, and 96% of all individuals encountered were licensed. Compliance by licensed individuals with the requirement to wear an ID badge is 94%. These results are broadly in line with the situation in 2012.

Period	Locations Visited	No. of Venues with Security	Security Staff Encountered	ID Badge Compliance
2013	110	590	1586	94%
2012	113	671	2024	93.5%

Formal sanctions issued against Individuals

The total number of formal sanctions issued to individual licensees during 2013 was 98. This is a decrease on the 2012 figure of 221 and represents a further decrease from the 2011 figure of 256, which suggests a continued improvement in overall compliance. The Authority issued 3 Reprimand, 79 Warning, 15 Caution notices and 1 Advice notice to individual licensees in 2013. These are much decreased in comparison with 2012 when the Authority issued 29 Reprimand, 162 Warning, 21 Caution and 9 Advice notices.

Action against Clients of the Industry

The targeting of clients of the industry who engage the services of a private security contractor or individual is a very important aspect of the enforcement work. The power to prosecute a client of an unlicensed security service provider has been one of the most effective tools in ensuring compliance with licensing requirements. There were 171 client cases closed in 2013, which is an increase on the 150 cases completed in 2012 and this may be explained by the commencement of licensing of CCTV and Access Control.

Formal complaints against licensees (Section 39 of the Acts)

The PSA received 9 formal complaints in 2013, 5 of which were against individuals. All cases were dealt with under Section 39 of the Private Security Services Acts, 2004 and 2011 and in accordance with the Private Security (Complaints Procedures) Regulations 2006. The number of cases finalised was 8, with decisions issuing in 3 cases, 5 cases did not proceed to a full investigation as the complainants did not wish to proceed further with the complaint and 1 case is still under investigation. It should be noted that the Authority will pursue any case which it considers warrants further investigation even if it is withdrawn by the complainant.

Private Security Authorities Liaison with other State Agencies

The PSA has built a structure for liaison and consultation on issues with other State agencies in order to fulfil our mutual responsibilities. The PSA has worked in co-operation with and carried out inspections in conjunction with the assistance of the Garda Síochána, Social Protection and the Revenue Commissioners. This mutual co-operation has been effective in respect of target inspections, monitoring of activity across the private security sector, gaining intelligence and increased compliance in the sector.

Liaison with the National Employment Rights Authority (NERA) continues on general employment rights issues and where appropriate the PSA refer relevant complaints directly to NERA.

Also during 2013, the PSA continued to use the formal channel for accessing Land Registry details and used the online service of the Property Registration Authority to obtain details on ownership of properties in assisting the PSA in advancing its investigations.

Sample Enforcement Cases

The following is a sample of the type of cases encountered by the Authority during the year:

Warning issued to Security Guard (Static) contractor (SG) for non-compliance with licensing requirements

- Scheduled inspection of contractor for compliance with licensing requirements.
- Inspection identified static guard licensed staff operating as door supervisors and a series of deficiencies in the requirement that the contractor fully screen all employees including having documentation verifying previous periods of employment or self employment.
- Warning notice issued under Section 26 of the Acts.
- Contractor fully co-operative with investigations and rectified non-compliance issues by removing unlicensed staff from door supervising roster and addressing deficiencies in screening.
- The matters raised as non-conformities will be re-examined at the next scheduled quality control audit of the company.

Warning issued to SG contractor

- Following an unannounced night time inspection of a construction site an unlicensed individual was found to be providing a security guard service in place of a rostered licensed security guard.
- Contractor subject to investigative audit with deficiencies identified in command and control systems, particularly in relation to the failures in monitoring of attendance and check calling, that allowed an individual licensee with personal problems have an unlicensed individual substitute for him.
- Warning notice issued under Section 26 of the Acts.
- Contractor fully co-operative with investigations and audit and rectified deficiencies in screening and command and control.
- The matters raised as non-conformities will be re-examined at the next scheduled quality control audit of the company.

Warning issued to Door Supervisor (DS) employee

- Following an unannounced inspection of a licensed premises a licensed individual was found not displaying an identity badge as required pursuant to Section 30 of the Private Security Services Acts 2004 & 2011.
- Licensed individual issued with a Warning notice pursuant to Section 26 of the Private Security Services Acts 2004 and 2011.

Client Terminates Services of unlicensed SG Contractor

- In an investigation into the activities of a recently expired licensed contractor, a client was identified as using the services of the contractor who no longer held a valid licence.
- The previously licensed contractor remained licensed as an individual but could only operate as such as a direct employee of the client.
- The client was unaware of the distinction between an individual licence and a contractor licence, and on being made aware of the distinction the client terminated the services of the unlicensed contractor.

Revocation of a SG contractor licence

- Contractor was inspected in January 2013 which resulted in a request for information pursuant to Section 13 of the Private Security Services Acts 2004 and 2011 issuing to the licensed contractor in January 2013.
- The contractor failed to respond to the information request resulting in the suspension of the contractors licence pursuant to Section 26 of the Private Security Services Acts 2004 and 2011 in May 2013.
- The contractors licence was then revoked pursuant to Section 26 of the Private Security Services Acts 2004 and 2011 in October 2013.

Intruder Alarm Installation Investigation

- A large number of complaints of unlicensed intruder alarm activity in a particular region were received from a particular complainant.
- The complainant alleged that all cases were recent and definitively involved unlicensed contractors. In the majority of cases the complaint was based on the fact that blank alarm boxes were used. Approx. 90% of the information related to isolated rural residences.

- Using a combination of satnav co-ordinates, Ordnance Survey data and Property Registration records, the Inspectorate identified the registered owner of the residences in question and directed Section 13 enquiries accordingly. Before this approach was developed the Authority could not proceed with investigations of rural residences unless additional information regarding the owner of the property could be supplied by the complainant.
- The matter is ongoing, however, the early findings discount the majority of cases where it was asserted the installations were recent. Two unlicensed operators have been identified but they are suspected of being isolated incidences up to the end of 2010 and enquiries are ongoing.

SG Contractor and Employee Investigation

- A major national event was visited unannounced by two Inspectors following lock-down of the event at night.
- A licensed contractor was identified, however, a large number of individuals either had an incorrect licence or no licence at all.
- Inspectors returned to the site the following night to ensure all unlicensed personnel were removed. Enforcement actions are ongoing against the individuals detected.
- While the licensing of event security is pending, this is an example of how the PSA is actively involved in inspecting the licensable component of particular events (i.e. the static guarding component that applies after lock-down).

SG and DS Employee Investigation

- A major hotel was visited unannounced during the daytime.
- All personnel and management were interviewed. CCTV footage examined. All associated documentation and records inspected.
- 2 unlicensed employees identified (expired licences). 2 employees identified with incorrect licences. 1 employee found in breach of Section 30.
- Move to full compliance closely monitored by Inspectorate.

Goal 3: Raising standards within the industry

Standards

Overview

Progress was achieved in a number of key areas during 2013, regulations for the licensing of the Event Security sector were approved by the Attorney General's Office while the new standard for the Door Supervisor and Security Guarding sectors was published in December. A working group to develop a standard for the licensing of Locksmiths and Suppliers and Installers of Safes was established while work on the development of standards for CCTV Monitoring Centres continued.

Standard for Door Supervisor and Security Guard (Static) Sectors

The new standard to replace IS999:2004 was published on the 9th December and issued to all contractors in the Door Supervisor and Security Guard (Static) sectors as well as certification bodies and other stakeholders. The standard "*Licensing Requirements – Door Supervision and Security Guarding PSA 28:2013*" was accompanied by a comparison document mapping out the main differences between the new standard and IS 999. The new standard has been over 2 years in development and is structured largely along the lines of the IS 999 document but with revisions to take account of PSA licensing requirements and our experiences over the past 7 years of licensing.

The new standard takes effect from the 1st May 2014 and auditing guidelines will be issued to the Certification Bodies by the end of January 2014.

Cash-In-Transit

Work on the revision of the technical standard for Cash-In-Transit licensing (PSA CIT1:2007) continues and a draft of the revised document was circulated among contractors earlier in the year. This was followed by a meeting with contractors in June and further revisions on the document have been undertaken. Following approval by the Board of the Authority to new cash limits for CIT vehicles the latest draft document will be issued to contractors in January 2014.

Event Security

A draft document entitled "*A Standard for PSA Licensing – Future requirements for the licensing of Event Security Contractors*" was published for public consultation in November. The submissions received are currently being considered and a revised document will be circulated to stakeholders in January 2014.

Intruder Alarm and CCTV Monitoring Centres

Following the introduction of the licensing of CCTV Installers in October 2012 work on the licensing of CCTV Monitoring Centres commenced. This work included an analysis of the new European standards for monitoring centres (EN 50518 Parts 1,2 and 3). The new standards will also have implications for Intruder Alarm Monitoring Centres, a sector which has been licensed since 2006.

In February, the Authority published an information document "*Requirements for the licensing of centres monitoring CCTV and Intruder Alarm systems*". The document set out the Authority's proposals for the future licensing requirements in both sectors. There followed an assessment of the new European standards against the current standard used

for licensing, IS 228:1997. The Authority issued revised proposals for the licensing of both sectors to licensed contractors in December ahead of a public consultation process in 2014.

Locksmiths

A working group of various stakeholders was established to draft a standard for the licensing of Locksmiths and Suppliers and Installers of Safes. The group has developed a draft document which is currently being reviewed by the Authority. It is expected that the document will go to public consultation in early 2014 with the working group re-convening to consider submissions from the public consultation process.

Phase 1 Certification for Door Supervisor and Security Guard (Static)

Phase 1 certification is issued to first time contractors in the Door Supervision and Security Guarding sectors and allows for the fact that these contractors, as new businesses, do not have clients against which the standard can be audited.

With the introduction of a new standard for Door Supervision and Security Guarding, a review of the Phase 1 process was undertaken. New Phase 1 requirements were agreed with the certification bodies in October and auditing guidelines to accompany the requirements are currently being drafted. It is expected that auditing to the new requirements will begin in February 2014.

Private Investigators

In May, as part of its preliminary work on the licensing of the sector, the Authority published a questionnaire on the Private Investigator sector in Ireland aimed at customers, private investigators and those with an interest in the private investigation industry. Following an analysis of the information received the Authority has undertaken some preparatory work on the licensing of the sector. It is our aim to engage further with industry stakeholders during 2014.

Training

Overview

During 2013 the Authority continued dialogue on training issues with industry stakeholders, training providers and Quality and Qualification Ireland (QQI) on matters of mutual interest and development of training and qualifications relevant to PSA licensing.

Also in 2013, the Authority continued to undertake research in relation to training practices for sectors yet to be licensed by the Authority, which going forward will underpin the decision making of the Authority on a number of issues regarding the roll-out of licensing in new sectors.

Mutual Recognition of Foreign Qualifications

The Mutual Recognition of Qualifications Directive (Directive 2005/36/EC, as amended by 2006/100/EC) defines a set of rules allowing professionals qualified in one Member State to exercise their profession in another Member State. This Directive was incorporated into Irish Law in 2008.

The Private Security Authority as the designated Competent Authority for the Irish private security industry is responsible for the evaluation of qualifications obtained outside the Irish jurisdiction, which fall within the scope of the Directive, to establish whether or not such qualifications are acceptable as meeting the minimum training requirements for the purpose of eligibility for a licence in the sectors currently licensed in the State.

In 2013 the Authority responded, in writing, to 77 queries on the recognition of foreign qualifications which resulted in the receipt of 8 formal applications. Seven were dealt with to conclusion and 1 case remained under review at the end of the year. This involves a comparative mapping of the learning outcomes of the non-Irish qualification against those of the prescribed national qualification to measure the degree of equivalence. In 2012 the Authority responded to 40 queries on the recognition of foreign qualifications and received three formal applications.

The Authority, when relevant, continues to complete equivalence reviews to determine the equivalence of other Irish security training awards with those prescribed in legislation. Such equivalence reviews determine whether or not an award or qualification, which has not been specifically prescribed by the PSA, is equivalent for licensing purposes with the learning outcomes contained in the prescribed award.

Web based listing of QQI Validated Training Programmes

During 2013 the Authority continued to update and maintain on its website a list of QQI/FETAC validated security training providers in respect of Guarding Skills (Code 4N1118) and Door Security Procedures (Code 4N1114). This facility is hosted on the PSA website to enable those individuals who have an intention of undertaking relevant training to identify validated courses in their locality.

Licensing of Cash-in-Transit CIT Individuals

Licensing of employees providing Cash-in-Transit security services became a legal requirement with effect from 1 May 2013. The training requirements for licensable employees is contained within Instrument (S.I. 484 of 2012) and, due to the unique nature of the activities undertaken by those persons, prescribed training relates to in-house induction training by licensable Cash-in-Transit contractors.

In 2013 the Authority commenced a review of the prescribed training through the formation of a consultative group representing sectoral employers, employees and the Garda Síochána. Nominations have been received from the various parties and the first meeting of this Review Group will commence in early 2014. It is the Authority's intention for this group to identify appropriate training needs for licensing purposes in the Cash-in-Transit employee sector.

PSA Licensing and Training Advisory Group – Static Security Guards and Door Supervisors in Licensed Premises

In late 2012 a licensing and training advisory group, headed by the PSA was set up to review the training requirements for licensing purposes of security guards and door supervisors. This group is comprised of industry, training providers, education specialists, users of security services and Gardaí. During 2013 the Authority continued the work started with this group to review those requirements for the future development of the sectors. At the end of the year the group had made significant progress in

identifying and agreeing the competencies, skills and knowledge required for an appropriate training structure for these areas. Further work remains to be undertaken in 2014.

Future Developments

Research into possible training requirements for licensing purposes for individuals in respect of other licensable activities not yet brought into force by law progressed in 2013 and will be ongoing into 2014. This undertaking will inform decisions in relation to the eventual introduction of licensing of such activities.

Goal 4: Improve quality and frequency of communications

Overview

During 2013 the PSA continued to engage and communicate with our industry stakeholders, their clients and the wider public. Our regular news items, ezine and website updates continue to generate interest among the industry and wider public in respect of developments and new policies introduced by the Authority.

The Authority's Website

The Authority's website continues to be our primary communications channel with 142,255 hits during 2013. This is an increase of 14,199 (11%) hits on 2012 with November being the busiest month: this can be attributed to the airing of a radio campaign in respect of licensed contractors installing or monitoring intruder alarms (see below) and individual renewal licences due to expire in early January 2014. The licensing element of the website contains the latest licensing information and also provides the up to date information on all other aspects of PSA activity. As highlighted elsewhere in respect of enforcement operations the online reporting facility is a significant source of intelligence.

The most visited area of our website is the register of contractor and individual licence holders and these registers are updated on a weekly basis. The registers continue to be an important tool for both the industry and public alike. During 2013 there were 52,867 visits to the registers. The individual licence holder register was the most visited register with 18,962 visits. The main contractor licence register had 7,377 visits.

An online application facility for individuals was developed in the latter half of 2013 and went "live" in mid December. Work is also underway on an overall enhancement of the PSA website.

PSA Watch

The Authority's ezine "PSA Watch" is an effective way for providing information on key events, important updates and significant industry announcements to interested parties.

Five e-zines issued during 2013, one in March, May, July and two in November (one specifically for licensed contractors and one specifically for licensed individuals). Topics covered throughout the year included:

- Recruitment of External Inspectors
- Proposals for CCTV & Intruder Alarm Monitoring Centres and
- Licensing of CIT employees
- Licensing of Locksmiths & Suppliers & Installers of Safes
- Private Investigators
- Introduction of a new licence fee structure for contractor licensing
- Event Security Consultation
- Introduction of a new Standard for Door & Static contractors
- An update on the licensing of Locksmiths & Suppliers and Installers of Safes & CCTV monitoring centres
- Introduction of a new on-line facility for individuals
- Upcoming licence expiry dates
- The circumstances of when a refund of licence fees would apply to applicants

PSA Presentations

During 2013 the CEO and staff of the PSA made presentations at a wide variety of industry related events. Such events included various licensing updates to industry stakeholder bodies on licensing of CCTV, access control, private investigators and locksmiths and safe installation. The CEO made a wide ranging presentation at the biennial ISEC conference, while the Head of Licensing made a presentation at an SIA contractor forum in Northern Ireland on the development of contractor licensing by the PSA.

Email & Text Messaging

Our dedicated email address licensing@psa.gov.ie continues to be a popular means of contact for both individuals and contractors. Our general email address info@psa.gov.ie is also a popular means of contact by the public and industry stakeholders. Contact with the Authority through email enables us to refine and effectively target our communications in respect of issues and information of mutual interest to the Authority and licence holders. SMS text messaging was also used by Individual Licensing as a communication tool and provided instant access to the Authority for individuals.

Press and Media Coverage

The Authority issued 4 press releases during 2013, copies of which were circulated to both national and local media.

The 2013 press releases related to:

- The publishing of a questionnaire on Private Investigators
- The prosecution of an unlicensed door security contractor in Co. Galway
- The reduction of the licence fee for contractors
- The licensing of event security contractors and the publishing of a public consultation document by the Authority in respect of licensing this security sector

A radio campaign advising the public on the requirement to use a Private Security Authority Licensed Contractor when installing or monitoring an intruder alarm aired during the week commencing 18th November 2013.

During 2013 the Authority published articles of interest in trade magazines and the publication of such press releases generated follow up radio interviews.

Correspondence

In 2013 the Authority provided material for reply to 27 parliamentary questions asked of the Minister for Justice and Equality. The Authority continues to respond to various relevant enquires received from public representatives and to general enquiries from industry, media and the public.

Goal 5: Developing our staff

Overview

During 2013 the PSA continued to assess the training needs of its staff and conduct or arrange training based upon the training needs identified by staff themselves as part of the Performance Management Development System (PMDS) process and as part of the ongoing improvement in skills and knowledge required to enhance the corporate bank of expertise.

Training

Staff development and training is a key priority for the PSA. Within the PSA there is a particular emphasis on internal training specific to needs identified as part of the PMDS process. Particular work assignments are intended to promote further growth and development of individual staff members. In addition a number of in-house workshops were held to broaden awareness and understanding of the reporting features of some of the in-house databases. External training was also received by a number of staff on skills specific to their job responsibilities.

Corporate Restructuring

Our staff continue to be our most valued asset. It is the aim of senior management to deliver more efficient services within resource limitations existing within the Authority and to maximise the expertise of all our staff.

In 2013 the Authority restructured the organisation by merging the Communications Unit with the Corporate Affairs and the Training Unit. Following the overall restructuring of the organisation that took place in 2012 such restructuring of Units and staff has been successful and has improved the cohesiveness of our service to the public and the private security sector. It has also afforded our staff the opportunity to broaden their experience by delivering an inclusive service to either contractors or individuals licensed by the Authority.

Staff Reassignments

The reassignment of some staff members took place in the last quarter of 2013 and these staff members are currently being integrated into their new roles. The reassignment of further staff members remains within the horizon of the organisation and our policy of staff mobility and providing as broad a base as possible of staff expertise will continue into 2014 and beyond.

Further Education

Staff are encouraged to engage in additional education. The Authority will support these staff through part payment of fees and also with the allocation of study leave. Staff are encouraged to complete an individual Learning and Development Plan in accordance with their PMDS profiles and to attend training courses as identified in their respective plans when organised by the Department. We are delighted that one member of staff is pursuing studies at degree programme level and would hope that others will do likewise.

Goal 6: Revise the method of proving compliance with licensing standards

Certification Model

Following a review of the method of proving compliance with licensing standards, the Authority commenced the process of improving the reporting relationship between the certification bodies and the Authority. The Authority's aim is to have a greater participatory role in the quality assurance of licence-related compliance audits.

The vehicle for introducing the improved relationship is the new licensing standards which are being developed. The standards will contain provisions which will require contractors to consent to the sharing of information between their certification body and the Authority. The new standard for Door Supervisor (Licensed Premises) and Security Guard (Static) contractors (*Licensing Requirements – Door Supervision and Security Guarding 2013*) is the first standard to be published with these provisions. Under the new provisions, certification bodies will be required to notify the Authority where a contractor fails to undertake or complete a scheduled audit and where a contractor is non-compliant with the standard. The Authority will also be able to seek a copy of the certification audit report for contractors.

As part of our new role in the quality assurance of licence-related compliance audits the Authority is to take a more significant role in the supervision of audits. This will be done through the introduction of comprehensive auditing guidelines for certification bodies, standardisation of audits and audit reports and closer consultation with accreditation bodies.

In 2013 certification bodies continued to provide the Authority with information on non-conformance discovered during audits. The results of these audit findings compliment the data gathered from our own inspections, Revenue Commissioners inspections and other sources. This data will assist the Authority in evaluating the risk profile of companies and will enable the targeting of companies with poor standards with additional inspections. Such data will also minimise if not reduce the Authority's inspections and associated costs for compliant licensed contractors.



Section 3:

Our Financial Report

Financial Statements

Private Security Authority

For the year ended 31 December 2013

PRIVATE SECURITY AUTHORITY

**FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2013**

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PRIVATE SECURITY AUTHORITY

STATEMENT OF AUTHORITY MEMBERS' RESPONSIBILITIES

Schedule 1 (4) of the Private Security Services Acts 2004, requires the Authority to prepare financial statements in such forms as may be approved by the Minister for Justice and Equality. In preparing the financial statements, the Authority is required to:

- Select appropriate accounting policies and apply them consistently.
- Make judgements and estimates that are reasonable and prudent.
- Prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Authority will continue in operation.
- State where applicable accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements.

The Authority is responsible for keeping proper books of account which disclose with reasonable accuracy at any time the financial position of the Authority and which enable it to ensure that the financial statements comply with Schedule 1 (4) of the Private Security Services Acts 2004. The Authority is also responsible for safeguarding its assets and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Chief Executive:



Date: 23 June 2014 .

Chairperson:



Date: 23.6.14

PRIVATE SECURITY AUTHORITY

STATEMENT ON INTERNAL FINANCIAL CONTROL

On behalf of the Private Security Authority (PSA), we hereby acknowledge our responsibility for ensuring that an appropriate system of internal financial control is in operation in the PSA.

We are satisfied that the systems, which the PSA has in place, are reasonable and appropriate for the PSA's circumstances having regard to its size, level of expenditure, staff resources and the nature of its operations. However, the systems do not, and cannot, provide absolute assurance against material error.

The PSA has a Code of Governance, which incorporates the Department of Finance guidelines and has been submitted to the Minister for Justice and Equality.

The Board of the PSA receives the Chief Executive Officer's report, which gives a detailed account of expenditure recorded on a monthly basis together with income. This is reviewed by the Board at every meeting.

The PSA takes the major strategic decisions and meets at regular intervals to monitor performance and plans. The executive management only act within the authority delegated to them by the PSA to give effect to the PSA's policy and decisions.

The PSA is compliant with all relevant guidelines regarding procurement and is complying with all circulars relating to the mandatory use of framework agreements and contracts.

A detailed procedural manual has been prepared and put in place. Income is subject to overall reconciliation and where possible, staff duties are appropriately divided taking account of the risks involved and the limited number of staff. The following specific procedures are in place in order to provide effective financial control.

1. Formal procedures are in place for the purchase of all goods and services, for approval of invoices in respect of goods and services and authorisation of payment in respect of goods and services. Procedures in this regard have been strengthened from time to time and recommendations emerging from internal audits have been implemented.
2. Monthly accounts and budgets are prepared throughout the year. At each Board meeting, management accounts are reviewed by the Board of the PSA. The PSA operates a computerised accounting system, which is capable of providing a wide range of financial and accounting information.
3. Budgets are prepared in respect of each year and monthly statements of income and expenditure are prepared to facilitate comparison with budgeted figures.

4. The PSA's financial control procedures are subject to review by the Department of Justice and Equality internal audit division. The Department of Justice and Equality internal audit division completed an audit of the PSA in February 2014, which provided positive assurance to the Accounting Officer and to the PSA as to the adequacy and effectiveness of the overall system of internal financial controls in place.
5. The risk management strategy has been implemented and monitored through a Risk Management Register. The Register is reviewed as a standing item at all Board meetings.
6. The PSA has an Audit Committee, which reviews the work of internal audit and the management letter from the Comptroller and Auditor General and management response. It meets the Office of the Comptroller and Auditor General (in the absence of management, where necessary) to discuss the outcome of the external audit.

I can confirm that the Board has conducted a review of the effectiveness of the system of internal financial control for the year 2013.

Chief Executive:  Date: 23 June 2014 .

Chairperson:  Date: 23.6.14

PRIVATE SECURITY AUTHORITY

STATEMENT OF ACCOUNTING POLICIES

BASIS OF ACCOUNTING

The financial statements have been prepared under the accruals method of accounting, except where stated below, and in accordance with generally accepted accounting principles under the historical cost convention and in the form approved by the Minister for Justice and Equality. Reporting Standards, recommended by the recognised accountancy bodies, are adopted as they become operative.

LICENCE FEES

Licence fee income is recognised in the period in which the related licence is issued. Licence fee income is remitted monthly as appropriations-in-aid in the Department of Justice and Equality appropriation account, based on the amounts received by the Authority in the prior month.

OIREACHTAS GRANTS

These are accounted for on a cash received basis. Oireachtas grants comprise of funds provided to the Authority by the Vote of the Department of Justice and Equality through the direct payment by the Department of salary and administration costs.

FIXED ASSETS AND DEPRECIATION

Fixed assets are shown at cost, or estimated market value, less accumulated depreciation.

Fixed assets are depreciated on a straight-line basis over their estimated useful life starting in the month the asset is placed in service.

Furniture	10%
Office Equipment	20%
IT Equipment	20%

PRIVATE SECURITY AUTHORITY

**INCOME AND EXPENDITURE ACCOUNT FOR THE YEAR ENDED
31 DECEMBER 2013**

			2013	2012
	Notes	€	€	€
INCOME				
Oireachtas Grant	1		2,099,334	2,129,768
Licence Fees	2	2,511,224		
Contractor Licence Fee Refunds		<u>(255,761)</u>	<u>2,255,463</u>	<u>2,969,517</u>
			4,354,797	5,099,285
Transfer (to)/from Capital Account	6		<u>(13,029)</u>	<u>31,342</u>
			4,341,768	5,130,627
EXPENDITURE				
Staff Costs	3	1,706,849		1,635,984
Administration	4	<u>385,082</u>		<u>512,314</u>
		<u>2,091,931</u>		<u>2,148,298</u>
Net Income			2,249,837	2,982,329
Remitted to the Department of Justice and Equality	2		<u>2,372,334</u>	<u>2,789,100</u>
Surplus/(Deficit) for the year			(122,497)	193,229
Surplus brought forward			343,119	149,890
Surplus at 31 December			<u>220,622</u>	<u>343,119</u>

The Statement of Accounting Policies and Notes 1 to 15 form an integral part of these financial statements

Chief Executive: 

Date: 23 June 2014

Chairperson: 

Date: 23.6.14

PRIVATE SECURITY AUTHORITY

BALANCE SHEET AS AT 31 DECEMBER 2013

			2013		2012
	Notes	€	€	€	€
TANGIBLE ASSETS					
Fixed Assets	5		30,456		17,427
CURRENT ASSETS					
Debtors and Prepayments		9,010		13,672	
Bank and Cash		217,369		334,860	
Stock		<u>5,856</u>		<u>6,200</u>	
			232,235		354,732
CURRENT LIABILITIES					
Creditors and Accruals		<u>11,613</u>		<u>11,613</u>	
			<u>11,613</u>		<u>11,613</u>
NET CURRENT ASSETS			<u>220,622</u>		<u>343,119</u>
NET ASSETS			<u>251,078</u>		<u>360,546</u>
LONG TERM LIABILITIES					
Capital Account	6		30,456		17,427
Income and Expenditure Account			<u>220,622</u>		<u>343,119</u>
			<u>251,078</u>		<u>360,546</u>

The Statement of Accounting Policies and Notes 1 to 15 form an integral part of these financial statements

Chief Executive: 

Chairperson: 

Date: 23 June 2014

Date: 23.6.14

PRIVATE SECURITY AUTHORITY

CASH FLOW STATEMENT FOR THE YEAR ENDED 31 DECEMBER 2013

Reconciliation of operating surplus to net cash inflow/(outflow) from operating activities	2013	2012
	€	€
Operating (deficit)/surplus for period	(122,497)	193,229
Depreciation of Tangible Assets	18,566	35,652
Loss on Disposal of Fixed Assets	-	233
Transfer to/(from) Capital Account	13,029	(31,342)
(Increase)/Decrease in Stock	344	(850)
(Increase)/Decrease in Debtors and Prepayments	4,662	(5,189)
(Decrease)/Increase in Creditors and Accruals	-	(7,149)
	-----	-----
Net cash inflow/(outflow) from operating activities	(85,896)	184,584
Net Capital Expenditure		
Payments to acquire tangible fixed assets	(31,595)	(4,543)
Increase/(decrease) in cash	(117,491)	180,041
	=====	=====

RECONCILIATION OF NET CASHFLOW TO MOVEMENT IN NET (DEBT)/FUNDS

	2013	2012
	€	€
Net funds at 1 January	334,860	154,819
Net funds at 31 December	<u>217,369</u>	<u>334,860</u>
Increase/(decrease) in Cash	(117,491)	180,041
	=====	=====

The Statement of Accounting Policies and Notes 1 to 15 form an integral part of these financial statements

Chief Executive: 

Chairperson: 

Date: 23 June 2014

Date: 23.6.14

PRIVATE SECURITY AUTHORITY

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2013

	2013 €	2012 €
1. OIREACHTAS GRANT		
Vote 19 – Justice and Equality	2,099,334	2,129,768

2. LICENCE FEES

The licensing cycle is a two-year cycle with the majority of contractors falling due for renewal in year 1 and the majority of individuals falling due for renewal in year 2. Individual applicants are greater in number but give rise to less licence fee income. The Authority's fee income, therefore, fluctuates in line with the licensing cycle.

Contractor Licence Fee Refunds

There was a restructuring of the fees payable for contractor licences issued by the Authority by Statutory Instrument No. 293 of 2013. This change was introduced on 31st July 2013, and the new fee structure was applied retrospectively from the 1st January 2013. As a result, any contractor who had paid the higher fee in respect of an application made or licence granted on or after 1st January 2013 was refunded the difference. There were refunds issued to 257 contractors in 2013. Eight contractors who paid the licence fee by instalments were paid refunds of €4,541 in 2014.

Remittance to the Department of Justice and Equality

	€
Licence fees received in prior period due to be remitted as at January 2013	334,040
Licence fee income in 2013	2,255,463
Remitted to the Department of Justice and Equality	<u>(2,372,334)</u>
Amount due to be remitted for December 2013	<u>217,169</u>

PRIVATE SECURITY AUTHORITY

3. STAFF COSTS

	2013 €	2012 €
Salaries and wages	1,640,759	1,572,090
Travel and subsistence	<u>66,090</u>	<u>63,894</u>
	1,706,849	1,635,984

The Authority employed 36 Staff at 31 December 2013 (2012: 36).

	2013 €	2012 €
4. ADMINISTRATION		
Office expenses	60,406	53,708
Consultancy services	37,724	28,506
Authority members' fees	29,070	58,140
Legal expenses	37,665	38,331
Communications costs	58,228	63,454
Licensing costs	66,437	59,083
Advertising	52,714	98,567
Depreciation	18,566	35,652
Audit fee	7,075	7,075
Other	7,327	7,984
Accountancy fee	4,612	4,538
Repairs & maintenance	5,258	57,043
Loss on disposal of fixed assets	-	233
	<hr/> 385,082	<hr/> 512,314

PRIVATE SECURITY AUTHORITY

5. TANGIBLE FIXED ASSETS

	Furniture & Fittings €	IT Equipment €	Office Equipment €	Total €
COST				
At 1 January	7,454	597,678	46,095	651,227
Additions	2,178	23,496	5,921	31,595
Disposals	-	(7,494)	(3,827)	(11,321)
At 31 December	9,632	613,680	48,189	671,501
ACCUMULATED DEPRECIATION				
AT 1 January	4,292	587,475	42,033	633,800
Disposals		(7,494)	(3,827)	(11,321)
Charge for period	2,270	12,621	3,675	18,566
At 31 December	6,562	592,602	41,881	641,045
NET BOOK VALUE				
At 31 December	3,070	21,078	6,308	30,456
	=====	=====	=====	=====
At 1 January	3,162	10,203	4,062	17,427
	=====	=====	=====	=====

PRIVATE SECURITY AUTHORITY

6. CAPITAL ACCOUNT

		2013		2012
	€	€	€	€
Opening Balance		17,427		46,126
Adjustment ¹				2,643
Fixed asset purchases	31,595		4,543	
Disposal of Fixed Assets	(11,321)		(11,576)	
Amortisation	(18,566)		(35,652)	
Amount released on Disposal of Fixed Assets	<u>11,321</u>		<u>11,343</u>	
Transfer (to)/from Income and Expenditure a/c		<u>13,029</u>		<u>(31,342)</u>
Balance as at 31 December		<u>30,456</u>		<u>17,427</u>

¹ This reflects the adjustment for depreciation of €21,707 less the adjustment to the opening balance for the cost of assets of €24,350 in 2012.

7. PENSIONS

All of the Authority's staff have been seconded from the Department of Justice and Equality. Pension liabilities of such staff will be met out of Superannuation Vote 12 and no provision has been made in these financial statements in respect of these costs.

8. PRIVATE SECURITY APPEAL BOARD

The Private Security Appeal Board was set up to hear and determine appeals against decisions by the Authority. The Appeal Board is made up of three members and a Chairperson. The Appeal Board is appointed by the Government and is independent of the Authority. The costs incurred by the Board are met by the Department of Justice and Equality and are not reflected in the Authority's financial statements.

PRIVATE SECURITY AUTHORITY

9. PENSION LEVY

Salary costs included in this account are the gross costs to the Authority for the period. The Department of Justice and Equality pays salaries on behalf of the Authority. Pension levy deductions, as per Section 2(3) of the Financial Emergency Measures in the Public Interest Act 2009 (No. 5 of 2009), are made by the Department and are retained as Appropriations-in-Aid for that Department. This amounted to €96,761 in 2013 (2012: €88,173).

10. AUTHORITY MEMBERS' INTERESTS

The Authority adopted procedures in accordance with guidelines issued by the Department of Finance in relation to the disclosure of interests by members and those procedures were adhered to in the year. There were no transactions in the year in relation to the Authority's activities in which members had any beneficial interest.

11. ACCOMMODATION NOTE

The Authority operates from accommodation at Davis Street, Tipperary Town which is provided free of charge by the Office of Public Works.

12. BOARD MEMBERS FEES

There was no board in place from January to June 2013. Fees of €29,070 were paid to board members appointed from July 2013 (2012: €58,140) as follows:

Name	2013	2012
	€	€
Noel Lappin (Chairperson)	5,985	
Padraic Cafferty	3,848	
Arthur Hall	3,848	
Geraldine Kelly	3,848	
Freda O' Dowd	3,847	
Christy Waters	3,847	
Ann Reid	3,847	7,695
Ronan King (Chairperson)		11,970
Bill Brown		7,695
Kevin McMahan		7,695
Martin Stairs		7,695
Michael O' Keefe		7,695
Ronan McGuire		7,695
	<u>29,070</u>	<u>58,140</u>

PRIVATE SECURITY AUTHORITY

The following board members do not receive any fee due to their public service employment; representative of the Minister for Justice and Equality, representative of the Minister for Jobs, Enterprise and Innovation, representative for An Garda Síochána and staff representative for the Private Security Authority.

Travel and subsistence expenses of €3,197 were paid to board members in respect of 2013 (2012: €4,785) in accordance with civil service travel and subsistence rates.

13. CHIEF EXECUTIVE REMUNERATION

The Chief Executive's remuneration for 2013 was made up of an annual basic salary of €110,554 (2012: €111,828). In addition the Chief Executive received €8,992 in respect of travel and subsistence expenses in 2013 (2012: €7,376) in accordance with civil service travel and subsistence rates. Pension entitlements do not extend beyond the standard entitlements in the public sector defined benefit superannuation scheme. No performance related payments were made in 2013.

14. ENFORCEMENT FEES

Enforcement fees consist of fines for non-compliance with the Authority's regulations and amounted to €5,068 in 2013 (2012: €350). These fees are accounted for in licence fee income.

15. APPROVAL OF FINANCIAL STATEMENTS

These accounts were approved by the Authority on

23/06/2014.



Appendices

APPENDIX 1

Organisation Chart

Organisation Chart for the Private Security Authority at 31/12/2013		
Geraldine Larkin Chief Executive Officer		
Corporate Affairs, Training & Communications	Individual Licensing	Contractor Licensing, Standards Development & Inspectorate
<i>Corporate Services// Accommodation/ Administration/ Financials / Training Development Communications</i>	<i>Individual Licensing</i>	<i>Contractor Licensing & Contractor Compliance</i>
Pat Gooley Josephine Crowe Jerry Cotter Norah Lonergan Kathleen McGlynn George O'Neill	Seamus Burke Siobhán Carew Mary Rose Kinane David McGuinness Breda Ryan Kathleen Ryan Bernie Ryan Patricia Quirke Anne Breheny Nano Ryan Mary Ryan Maria Cagney Eilish McCormack	John Ryan Paul Scallan Rosie Cunningham Jim O'Neill Breda Burke Mary Davern Kay McAuliffe Edward Gannon Joseph Reilly Damien Travers Margaret Donovan Lynda O' Sullivan Ann Lonergan Liz Maher Sandra Quirke Noreen Hogan

APPENDIX 2

Energy Report

Overview of Energy Usage in 2013

The Authority's building is a refurbished old building which has served a number of functions over the 100+ years since it was built including functioning as an RIC barracks, Government offices and Garda station.

The efforts of the Energy Team and the enthusiastic participation by the Authority's staff in the area of energy saving practices resulted in the PSA winning the Regional Award for Historic Buildings in June 2013. This was awarded due to the work carried out by the staff of the PSA in reducing energy usage and increasing energy efficiency awareness and was given under the Optimising Power @ Work scheme administered by the Office of Public Works.

In 2013 the sources of the main usage of energy in the Authority continued to be heating oil and electricity for lighting and other uses, as was the case in 2012. The Authority moved into its current building in 2008 and the building has been redeveloped with energy efficiency in mind. A modern, efficient Building Management System (BMS) was constructed and installed prior to the Authority populating the building and the light bulbs used are energy-saving bulbs. In 2013 the Energy rating for the building continued at a C1 rating which is above average for typical buildings of this type. This is a most encouraging result and demonstrates the good work of the energy team and the Authority's staff in maintaining control over our energy usage.

The annual energy usage for the Authority's building as compared to the energy usage for a typical building of this type is contained in the table below:

<i>This Building</i>	
Non-Electrical (kWh/m ² /yr)	Electrical (kWh/m ² /yr)
96	111
<i>Typical Building Of This Type</i>	
Non-Electrical (kWh/m ² /yr)	Electrical (kWh/m ² /yr)
136	233

Last year's figures for non-electrical and electrical energy usage were 109 and 124 kWh/m²/yr respectively so the Authority's energy usage is improving both by comparison with the previous year and by comparison with the energy usage of typical buildings of this type. We look forward to consolidating this improvement in 2014 although the scope for significant improvement is narrowing given the energy saving materials which are a facet of the building. One avenue open to the Energy Team, which it will actively pursue in 2014, is the dissemination of information on the topic of general energy saving which will benefit both office and home. In this way the team hope to keep the topic to the forefront of people's minds and to assist staff in saving money at home as well.

Actions Undertaken in 2013

In 2013 the Energy Team consisted of the Energy Officer plus four other members of staff. Because of the progress made in 2011 and 2012 the focus of the group was to maintain the progress attained to date. An engineer from Aramark, the company contracted by the Office of Public Works to oversee energy saving targets in public sector buildings, gave a presentation to staff during 2013 on ways energy can be saved both in the workplace and in the home. This proved informative and popular and was favourably spoken of by staff.

All of the actions undertaken in 2013 and previous years have resulted in a reduction in CO2 output of almost 13.5% in comparison to the base year of 2008. This will help in the overall drive for a reduction of 30% in CO2 emissions by 2020 in the public service.

Actions Planned for 2014

The Energy Team will continue to seek out ways of reducing our energy usage in 2014 and will continue to work closely with the Office of Public Works. The Authority's Energy Team will continue to look at ways of maintaining the good practices adopted by our staff and will examine different ways of getting the energy-saving message across.

In 2014 the Authority will submit data to the Sustainable Energy Authority of Ireland (SEAI) public sector monitoring & reporting (M&R) system and this will result in ongoing reports on energy usage by the PSA over time. This is another tool to help the PSA maintain and improve its energy efficiency for the future and it is envisaged that this too will provide an impetus for the continuation of the good work into the future.

The wholehearted participation by staff of the Authority has been the primary reason for the impressive energy rating attained by the Authority. We look forward to continuing our progress into 2014.