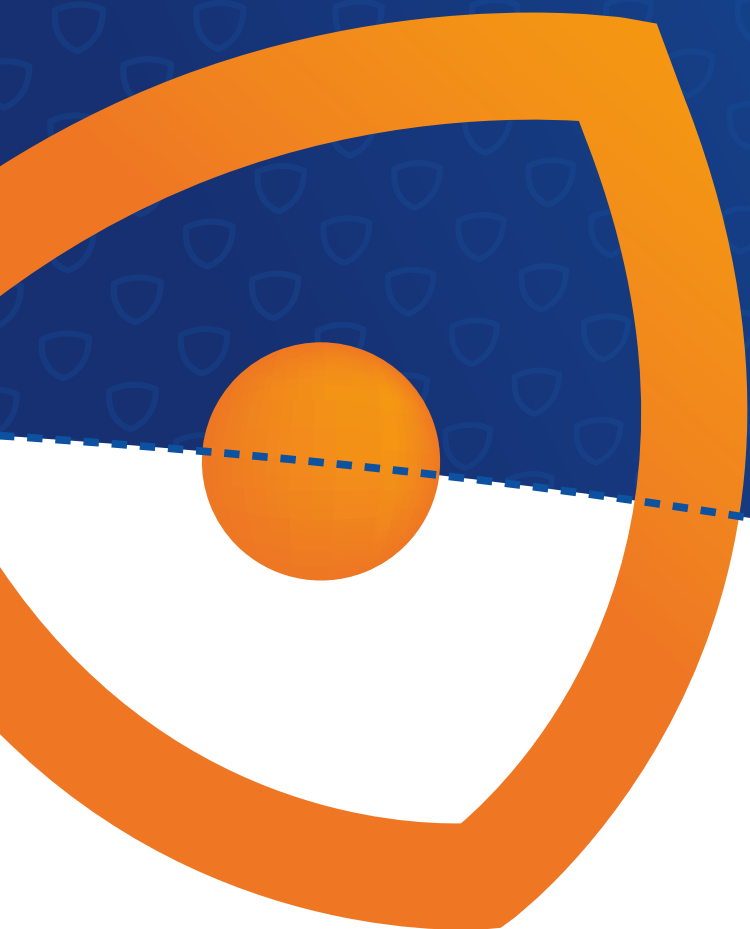




An tÚdarás Slándála Príobháidí
The Private Security Authority

Annual Report 2018



OUR MISSION

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



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Opening statement by Noel Lappin, Chairman and Paul Scallan, Chief Executive



Mr. Noel Lappin

We are delighted to report on the activities of the Private Security Authority for 2018. This was the first full year of our current Board which was appointed in December 2017. We marked the year by the publication of our fourth Strategic Plan. The Plan, which covers the years 2019-2021, focuses on completing our licensing mandate, enhancing the levels of professionalism in our industry, protecting consumers and the public and building on our relationships with our licence holders.



Mr. Paul Scallan

The Plan was one of a number of milestones achieved during the year. The licensing of individuals employed in Monitoring Centres took place in June and in September we implemented a requirements document for Training Providers (TP1:2018). In May, we published a new standard for the Cash-in-Transit sector (PSA76:2018) and work on the licensing of individuals in the Event Security and Private Investigators sectors neared completion. We undertook three public consultations during the year, one

on the licensing of employees in the Event Security sector and a joint one covering a new standard for Access Control and a standard for the Electronic Security sectors to replace SR40:2005.

Ensuring compliance with the licensing regime is a key element of our regulatory programme. We conducted inspections throughout the country with a strong focus on compliance in the Locksmith sector. We had two successful prosecutions and revoked the licences of 14 contractors and 22 employees.

The Strategic Plan sets out our business priorities for 2019 and the focus will be on completing our legislative mandate. Completing the mandate has been a challenge in recent years. The failure to receive the required funding and personnel has hindered our progress and we are at risk of losing the confidence of the security industry if we cannot quickly complete our legislative mandate. Our relationships with the security industry and those who interact with it are important to us. This engagement helps to increase our understanding of the environment that we regulate. In 2019 we plan to deepen these relationships and introduce new channels of communication.

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

Finally, we would like to thank the Board for their support and vision, our staff for their dedication and commitment and all those who contributed to our work during the year.

The Role of the Private Security Authority

The Private Security Authority (PSA), which was established by the Private Security Services Acts 2004 and 2011, is responsible for the regulation of the private security industry. Our role is to protect the public and clients of the security industry by promoting a quality regulatory environment for businesses and individuals working in the security industry. We achieve this by operating a comprehensive standards based licensing system for those providing security services. The PSA works in partnership with both employers and employees in raising standards in the industry to the benefit of the consumer, public and society.



The Private Security Authority Offices, Davis Street, Tipperary Town

The licensing of employees in the Monitoring Centre sector in June means we now have 4 individual and 12 contractor sectors licensed. The priority under our Strategic Plan is to complete our licensing mandate during the term of the plan. Work on the licensing of employees in the Event Security and Private Investigator sectors is at an advanced stage. Work on the licensing of the remaining two contractor sectors, Security Consultant and Supplier and Installer of Safes, will proceed in 2019 as will work on employee licensing in the Electronic Security and Locksmith sectors.

Our licensing regime is underpinned by a system of standards and qualifications for licence holders. We continued to develop new and review existing standards during the year with the publication of a new Cash-in-Transit standard, a requirements document for Training Providers and a number of public consultations on proposed standards and training.

Our inspection teams continued to monitor compliance with licensing requirements and uncovered many cases of non-compliance across the country which resulted in prosecutions and the revocation and suspension of licences.

The provision of information about regulation to our licence holders, the public and clients of the security industry is a central part of our mission. We advertised across a range of media including radio, newspaper and trade magazines. We continued to attend expos and published a number of information notes for licence holders and the public. We will continue to raise awareness of the benefits of a regulated security industry and to support our industry by promoting their services.

2018 The Security Industry at a Glance

Sector	Individuals	Contractors	Turnover (€)
Door Supervisor (Event Security)	N/A	39	3,996,238
Door Supervisor (Licensed Premises)	14,231	52	15,221,812
Locksmith	N/A	187	19,725,087
Private Investigator	N/A	115	10,813,038
Security Guard (Alarm Monitoring)*	351	34	42,727,183
Security Guard (CCTV Monitoring)	N/A	28	11,301,536
Security Guard (Event Security)	N/A	46	4,940,194
Security Guard (Static)	27,902	190	349,374,868
Electronic Security Sector ¹	N/A	973	225,300,994
Cash In Transit	1,227	5	67,722,250
Total **	43,711	1,669	751,123,200

* The figure for individuals includes Alarm Monitoring and CCTV Monitoring as one licence covers both categories.

**The number of licences issued is greater than the number of licensed individuals and contractors as some licence holders have licenses in multiple sectors

¹ Reference in this Report to the Electronic Security sectors should be read to include Installers of Access Control, CCTV and Intruder Alarm systems.

The principal functions of the PSA are:

<ul style="list-style-type: none"> • Controlling and supervising people who provide security services and maintaining and improving standards in the provision of those services.
<ul style="list-style-type: none"> • Granting and renewing licences.
<ul style="list-style-type: none"> • Issuing identity cards to licensees.
<ul style="list-style-type: none"> • Suspending and revoking licences.
<ul style="list-style-type: none"> • Establishing and maintaining a register of licensees.
<ul style="list-style-type: none"> • Specifying standards to be observed in the provision of security services.
<ul style="list-style-type: none"> • Specifying qualifications or requirements for the granting of licences.
<ul style="list-style-type: none"> • Undertaking or commissioning research projects and activities necessary for the planning, development and provision of those services.
<ul style="list-style-type: none"> • Investigating security services being provided by any person.
<ul style="list-style-type: none"> • Establishing and administering a system of investigation and adjudication of complaints.
<ul style="list-style-type: none"> • Monitoring the provision of private security services generally.
<ul style="list-style-type: none"> • Liaising with licensees.
<ul style="list-style-type: none"> • Advising the Minister for Justice & Equality on matters relating to the above functions and informing the Minister of developments that would assist in developing policy.

Mission and Values

In pursuit of our mandate to protect the public and improve standards within the private security industry, we are committed to the following mission and values.

Our Mission 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.

Our Vision continues to be one in which consumers' interests will be protected by a regulated industry with high standards of performance and expertise. This vision is to be maintained through on-going monitoring of all licensed providers and targeted action against those who breach standards. We envision an industry with;

- Strong enforcement delivering transformation of the industry.
- Improved levels of Training and Education.
- Reduced criminality.
- Full rollout of licensing to areas not yet licensed.

and a Private Security Authority with

- Sufficient resources to deliver services.
- Enhanced Service Delivery.

Our values, which we will follow when conducting our business include;

- Working in partnership with our Industry and other relevant stakeholders to develop a regulatory framework from which licence holders and the general public will benefit.
- Providing excellent customer service to existing licence holders, new applicants for licences and consumers of private security services.
- Reducing costs.
- Conducting our business in a transparent, balanced and proportionate manner.

- Being a model employer by creating an environment in which staff can have adequate resources and develop the skills necessary to perform to the best of their ability and potential.
- Maintaining close working relationships with other bodies/organisations whose business or work is directly impacted by the Authority's remit.
- Providing a safer environment for the general public by ensuring that the potential for criminality within our industry is eliminated.



The Board of the PSA (Asst. Comm. John O'Driscoll and Mr. John Garry are absent from the photo)

Board of the Authority

Noel Lappin	Chairman
Padraic Cafferty	Employers Representative
Siobhán Cleary	PSA Staff Representative
Alan Durnan	Employers Representative
John Garry	Representative of the Minister for Justice and Equality
Sean Heading	Employee Representative
Geraldine Kelly	Legal Representative
Assistant Commissioner John O'Driscoll	Representative of An Garda Síochána
Richard O'Farrell	Discretionary Non Defined Appointee
Bryan Redmond	Representative of the Minister for Education and Skills
Christy Waters	Employee Representative

Senior Management Team

Paul Scallan	Chief Executive
Seamus Burke	Chief Inspector
Grace Grant	Head of Individual Licensing
Colin Murphy	Head of Qualifications and Standards
Joe Duggan	Head of Contractors Licensing and Corporate Affairs

Corporate Governance

The Board and the Chief Executive are committed to ensuring that the PSA acts at all times in accordance with best corporate practice. Corporate Governance within the PSA is guided by:

- Code of Conduct for the Governance of State Bodies.
- Private Security Services Acts.
- PSA Board's Own Code of Conduct for Board Members.
- Public Financial Procedures/Public Procurement Procedures.

In addition to the above, the PSA complies with all other miscellaneous instructions on the matter of corporate governance that may from time to time be issued by the Department on behalf of the Department of Public Expenditure and Reform or other Government Departments thus ensuring that appropriate structures and processes are in place so that the highest level of corporate governance is maintained.

Procedures are in place to ensure that the members of the Board and the staff of the PSA, holding designated positions, comply with the provisions of the Ethics in Public Office Act and the Standards in Public Office Act.

An Audit and Risk Committee of the Board reviews and assesses the financial operations of the PSA. The PSA is also subject to audit by the Department of Justice and Equality's Internal Audit Unit and by the Comptroller and Auditor General (C&AG). The Chief Executive Officer (CEO) is also supported by a PSA Audit Team. In 2018, additional audits were conducted by the Office of the Data Protection Commissioner and by the Department on our IT infrastructure and systems.

Procurement is undertaken in accordance with Public Procurement Guidelines in consultation with the Procurement Strategy Group within the Department of Justice and Equality as necessary and policies published by the Department of Finance and Department of Public Expenditure and Reform.

The CEO is responsible to the Board for the performance of his duties and for providing it with such information in relation to the performance of those functions as prescribed by legislation. A Risk Management Report is maintained by the CEO and presented at each Board meeting. The Report is designed to ensure that risks are identified and assessed and necessary mitigating actions are, where resources allow, put in place.

Corporate Governance

The Board of the PSA met on 5 occasions during 2018. The table below summarises the attendance at these meetings:

NAME	29/01/18	26/03/18	28/05/18	24/09/18	26/11/18
Noel Lappin**	✓	✓	✓	✓	✓
Padraic Cafferty	✓	✓	✓	✓	✓
Siobhán Cleary	✓	✓	✓	✗	✓
Alan Durnan* **	✗	✓	✓	✓	✓
John Garry*	✓	✓	✗	✓	✓
Sean Heading	✓	✗	✓	✓	✓
Geraldine Kelly* **	✓	✓	✓	✓	✓
A/Comm John O'Driscoll	✓	✓	✗	✗	✓
Richard O'Farrell* **	✓	✓	✓	✓	✓
Bryan Redmond	✓	✓	✓	✓	✓
Christy Walters	✓	✓	✓	✓	✓

* Members of the Audit and Risk Committee.

** Members of the Strategy Committee

The Audit and Risk Committee met 4 times in 2018. The activities of the committee included.

- Approval of the Terms of Reference of the Audit and Risk Committee.
- Meeting with the Office of the Comptroller and Auditor General.
- Meeting with the Authority's accountant.
- A review of the 2017 Internal Audit Report and the C&AG Report for 2017.
- Review of the 2017 Financial Statements.
- Review of the Authority Risk Action Plan and Risk Register.

The Committee reported on its activities at each Board meeting. The Authority also established a Strategy Committee in 2018, which operated between January and May 2018, to develop the Strategic Plan.

2018 at a Glance

1,356 Contractors
Licensed
At Years End
(2017: 1,323)

33,699 Individuals
Licensed
At Years End
(2017: 28,648)

Security Guard
(Monitoring Centres)
Licensing Commenced

Approved Training
Providers Scheme
Introduced

€2,517,375
Income from Fees
(2017: €3,140,385)*

1,109 Enforcement
Cases
(2017: 864)

8,240 Applications
Processed
(2017: 14,574)*

45 Staff
(2017: 41)

* The reduction in fees and applications in 2018 reflects the introduction of the 3 year licence for individuals in 2016.

Strategic Plan 2019 To 2021

The Strategic Plan, 2019-2021, was, in accordance with Section 9(1) of the Private Security Services Act 2004 (as amended), approved by the Minister for Justice and Equality in November 2018. The Plan aims to build on the progress made by the 3 previous plans and sets the future direction of the Authority. The focus of the Plan is

- to complete our licensing mandate.
- to enhance the levels of professionalism in our industry.
- to protect consumers and the public.
- to build our relationships with our licence holders.

We want to ensure that regulation benefits our licence holders, their customers and the wider public. **The key goals set out in the Strategic Plan are:**

Goal 1: Completing the regulation of the Private Security Industry.

Goal 2: Ensuring our industry is compliant with licensing regulations.

Goal 3: Raising the levels of standards and qualifications in our industry.

Goal 4: Promoting the benefits of our industry.

Goal 5: Supporting our staff and enhancing our organisation.

2018 at a Glance

Goal 1: Licensing of Security Guards (Monitoring Centre) commenced June 2018

Goal 2: Two successful prosecutions

Goal 3: Requirements for Training Providers published

Goal 4: Provision of Consumer Information via Media, Exhibitions and Publications

Goal 5: Investment in Staff Training and Wellbeing

Progress against Our Goals

Goal 1: Completing the regulation of the Private Security Industry.

Regulatory Progress

The extension of licensing to employees in the Security Guard (Monitoring Centre) sector in June brought further progress in our regulatory mandate. Regulation now extends to 88% of individuals and 91% of contractors operating in licensable security sectors.

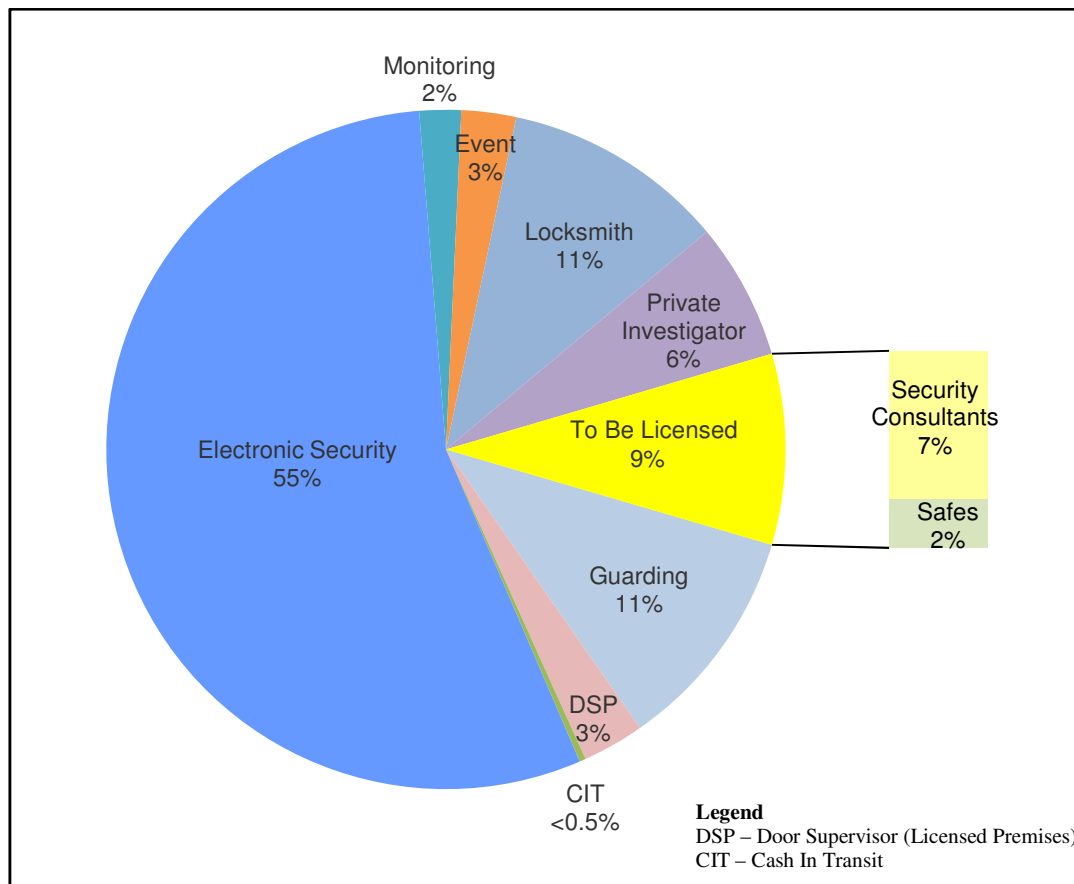


Figure 1 Overview of businesses in the industry showing those licensed/to be licensed

The Private Security Services Acts identify 8 security services, which are subject to regulation:

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

Progress against Our Goals

Some of these sectors have been sub-divided to facilitate the implementation of regulation. For example, the Installer of Security Equipment sector, often referred to as the Electronic Security sectors is subdivided into three categories:

- Installer of Access Control
- Installer of CCTV
- Installer of Intruder Alarms

There were no new contractor sectors licensed in 2018 leaving two still to be licensed, Security Consultants and Suppliers and Installers of Safes. Some work on Security Consultants has begun while the aim is to establish a working group for the Safes sector during 2019.

Much work in preparation for licensing of employees in the Event Security sector has been undertaken. However, there are legislative issues which need addressing before licensing can proceed and we have brought these to the attention of the Department of Justice and Equality, our parent Department. Significant work on the training requirements for the Private Investigator sector was undertaken during the year and we are confident that we will be able to announce a timeframe for licensing during 2019. Further examination of the suitability of the Electronic Security Systems Apprenticeship will be undertaken to see if it is suitable for the licensing of the Electronic Security Sectors. The remaining sectors, Locksmiths, Safe Suppliers and Installers and Security Consultants are small representing less than about 2% of the licensing population.

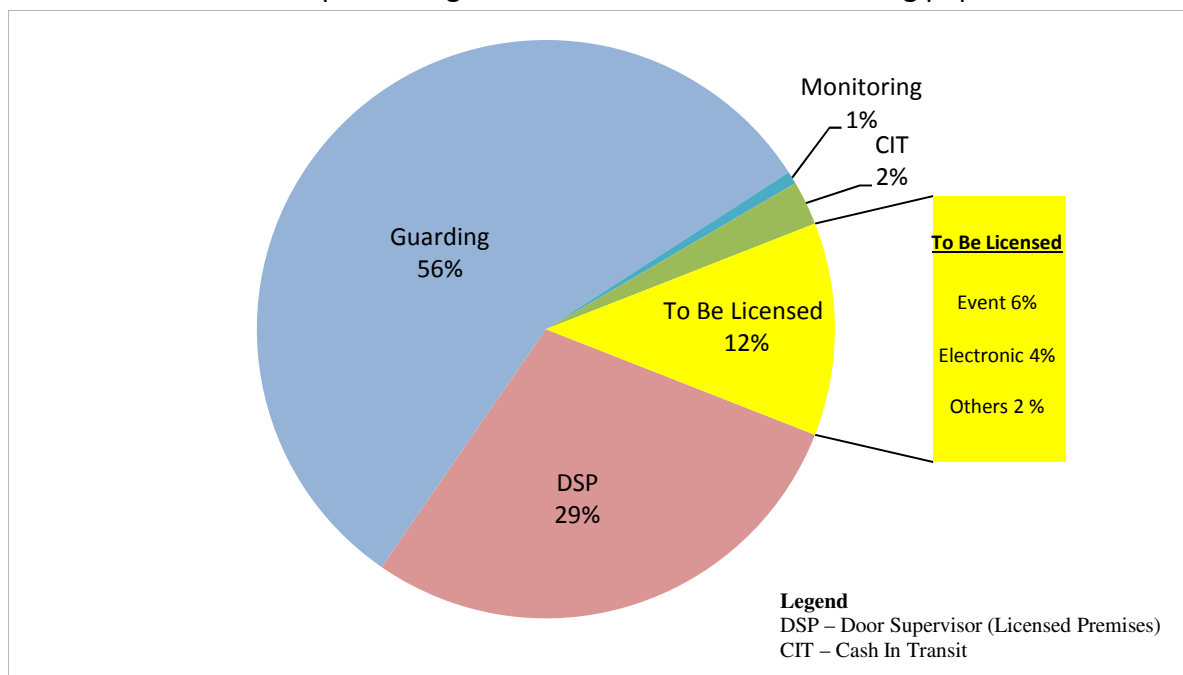


Figure 2 Overview of individuals in the industry showing those licensed/to be licensed

Progress Against Our Goals

Business Licensing

The number of licences in circulation at the end of the year was 1,669 up from 1,606 at the end of 2017. The largest increase in licences was in the Electronic Security sectors which saw an increase of 43 licences on 2017, followed by the Locksmith sector with 25, Private Investigators with 5 and the Door Supervisor (Event Security) sector with 3. The other 6 sectors all experienced a decline in licence numbers. The total number of contractors holding licences increased from 1,323 at the start of the year to 1,356 on the 31st December 2018.

	2015	2016	2017	2018
DOOR SUPERVISOR (EVENT SECURITY)	44	47	43	39
DOOR SUPERVISOR (LICENSED PREMISES)	55	52	49	52
LOCKSMITH	N/A	N/A	162	187
PRIVATE INVESTIGATOR	64	131	110	115
SECURITY GUARD (ALARM MONITORING)	39	40	36	34
SECURITY GUARD (CCTV MONITORING)	28	31	29	28
SECURITY GUARD (EVENT SECURITY)	51	55	49	46
SECURITY GUARD (STATIC)	202	199	192	190
INSTALLER ELECTRONIC SECURITY	733	807	930	973
CASH IN TRANSIT	7	6	6	5
TOTAL	1,223	1,368	1,606	1,669

Table 1 Comparison of Number of Licences Issued for each sector in the years 2015 to 2018

The table above shows that the number of contractor licences in circulation has increased by over one third in the last 3 years. We have invested in online application systems and automated many of our processing mechanisms to create capacity for the increase in licence numbers.

671 contractor applications were received during the year down from 827 in 2017. The decline can be accounted for by the two year licence cycle which currently has a higher volume of licences expiring in odd years. In 2018, we received 175 first time applications, 483 renewal applications and 11 applications to add a sector(s) to an existing licence.

Progress Against Our Goals

Licence Renewals

483 of the 545 contractors who were scheduled to renew their licence during the year had done so by the end of the year. The non-renewal rate stood at 11%. Three quarters of all non-renewals were in the Electronic Security sectors. All non-renewal cases are referred for compliance action and 2018 renewals will continue to be received during 2019. We received 24 renewals in 2018 for licences which expired during 2017.

For the first time, all renewals were received through our online renewal systems which has streamlined the renewal process for licence holders and the PSA.

Refusals and Rejections

We rejected 12 (2%) of all applications during 2018. 7 of these subsequently lodged valid applications. 14 applications were refused as the applicant failed to meet the requirements of licensing. 4 contractors appealed decisions made by the PSA to the Private Security Appeal Board in 2018.

Private Security Appeal Board

At the start of 2018, there was 1 appeal awaiting a determination with the Appeal Board. A further 4 appeals were lodged with the Appeal Board during 2018, bringing to 5 the number of appeals for determination. All cases were concluded by the end of year with the Appeal Board upholding the Authority's decision in 2 cases and overturning our decision in 3.

Temporary Licences

Temporary licences are issued to new contractors in the Electronic Security sector so that they can install systems for the purpose of obtaining the standards required for licensing. At the end of the year, there were 54 temporary licences in circulation.

We received 76 new applications for temporary licences in 2018 which is down slightly from 79 in 2017. The measures we introduced in 2016, aimed at reducing the lifespan of temporary licences, continue to prove successful with most applicants exiting the temporary licence system within 6 months. Complaints from the security industry about the system have been eliminated. 71 contractors transferred from a temporary licence to a full licence during the year.

Progress Against Our Goals

Licence Fees

Contractor licence fees for the year were €1,392,483 compared to €1,308,837 in 2017 and €1,274,836 in 2016 (the comparable year in the 2 year licence cycle). The increase can largely be attributed to the increasing turnover of contractors as a result of a growing economy, which results in contractors moving to a higher fees bands when renewing their licence.

Year	Turnover
2015	€622,193,000
2016	€653,971,000
2017	€710,155,000
2018	€751,123,200

Table 2 Contactor Turnover recorded on licence applications 2015 to 2018

Table 2 above shows that the security industry continues to grow in line with the economic growth of the country. The increase in licenced contractors during 2018 is further evidence of this expansion.

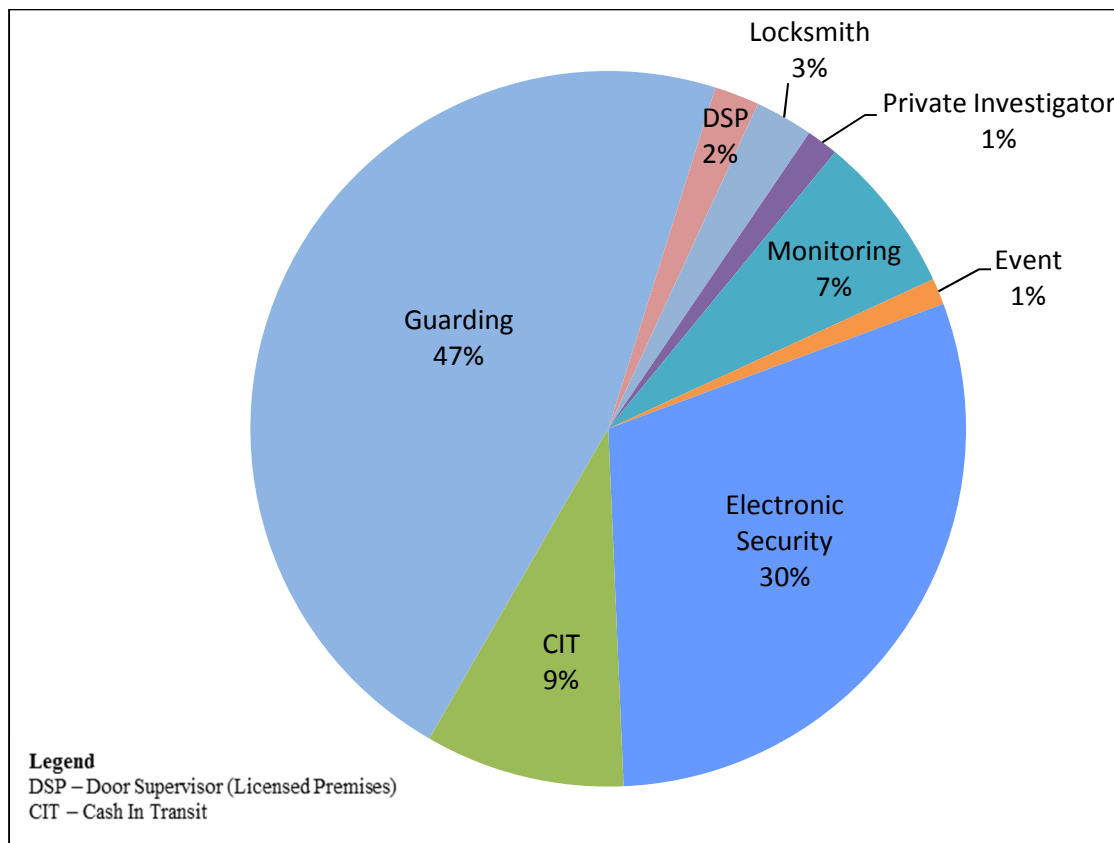


Figure 3 Overview of contractor turnover by sector in 2018

Progress Against Our Goals

Individual Licensing

2018 was a unique year for individual licensing with no licences expiring during the year as a result of the introduction of the 3 year licence in 2016. As a result, the number of licences in circulation at the end of the year are probably inflated as they will include licences which would not have been renewed if their expiry date had been in 2018.

There were 33,699 individual licence holders at the end of December, an increase of 5,051 on 2017. The number of licences in the Security Guard (Static) sector increased from 15,961 to 17,890 while there was an increase of 2,113 in the number of combined Door Supervisor/Security Guard licences. Door Supervisor licences increased from 3,754 to 4,219 and Cash-in-Transit licences increased by 193. We expect the number of licence holders to fall quickly in 2019, as over 6,000 licences are due for renewal in the first two months of the year. 351 licences were issued in our new sector, Security Guard (Monitoring Centre).

	2015	2016	2017	2018
CASH IN TRANSIT	1,139	924	1,034	1,227
DOOR SUPERVISOR (LICENSED PREMISES)	4,302	3,942	3,754	4,219
SECURITY GUARD (STATIC)	16,553	15,558	15,961	17,890
DOOR SUPERVISOR AND SECURITY GUARD	6,787	7,120	7,899	10,012
SECURITY GUARD (MONITORING CENTRE)	n/a	n/a	n/a	351
TOTAL	28,781	27,544	28,648	33,699

Table 3 Comparison of Number of Licences Issued for each sector in the years 2015 to 2018

When you look at the licences on a sectoral basis there were 43,711 licences in circulation comprising 27,902 in the Security Guard (Static) sector and 14,231 in the Door Supervisor sector.

Licence Fees

Individual licence fees for the year totalled €1,124,893.08 compared to €1,831,547 in 2017 and €1,985,352 in 2016. The reduction in fees is attributable to the introduction of the 3 year licence cycle which meant no licences fell due for renewal during 2018. We expect a sharp increase in fees this year as it is the start of the 3 year cycle for renewals. Despite the absence of renewal fees in 2018 the amount of fees received exceeded expectations.

Progress Against Our Goals

Licence Applications

We received 7,569 individual licence applications in 2018, 1,453 of which were rejected (19%). While the rejection rate is up by 8% on 2017, the volume of rejections is down. The percentage increase is due to the fact that 97% of all applications received during the year were first time applications and rejections are predominantly a feature of these applications. There are a number of reasons for rejection such as incomplete application forms, missing documentation e.g. Criminal Record Certificates or evidence of training. The resources needed to deal with rejected applications is considerable. Most rejected applications will subsequently lodge a valid application. However, there are a small number who will have their application rejected two or more times.

Of the 6,116 valid applications received, 196 were renewals for licences which expired prior to 2018. The remainder were first time applications.

	2014	2015	2016	2017	2018
First Time Applications	5,094	4,736	4,976	4,907	5,920

Table 4 Number of first time applications received between 2014 and 2018

Refusals and Appeals

196 decisions refusing to grant a licence were issued during 2018. This represents just over 3% of all valid applications received. Over half of all refusals were because applicants failed to complete the Garda vetting process.

Individuals who are dissatisfied with our decision can appeal to the Private Security Appeal Board. There were 13 appeals during the year and 18 carried over from 2017 awaiting a determination. By the end of the year, the Appeal Board had adjudicated on 17 appeals, upholding our decision in 11 cases and overturning our decision in 5. The remaining appeal was an application for two licence types with the Appeal Board deciding to uphold our decision in respect of one licence and overturn the same decision in respect of the second licence. Two appeals were withdrawn.

Progress Against Our Goals

Goal 2: Ensuring our industry is compliant with licensing regulations.

Ensuring compliance with the Private Security Services Acts and the Regulations governing licensing is an integral part of our work. Our inspections teams operated throughout the country visiting over 2,000 business premises during 2018.

Much of our work stems from intelligence reports received from the industry and the public. These provide us with an invaluable tool in combating non-compliance and targeting our inspection resources. We received 444 intelligence reports in 2018 compared with 367 the previous year. 23% of the cases received were not investigated either because they had been previously investigated, the intelligence was insufficient or because the contractor was already licensed. Where we do not investigate intelligence reports, the intelligence is retained and if further reports on the same matter are received, they are reviewed to determine if an investigation should commence.

The 340 intelligence reports, which were investigated, formed part of the 1,038 enforcement cases opened during the year. This is an increase of 174 on the number of cases opened in 2017.

Contractor Compliance

We undertook 132 contractor inspections in 2018 visiting licence holders and inspecting their records to ensure that compliance with the licensing regulations were maintained. As with previous Annual Reports, we have to again highlight the disappointing compliance rates found during inspections particularly in light of the certification systems, which is meant to underpin licensing. The number of fully compliant contractors has dropped from 25% in 2017 to 22% last year while the percentage of category 1 non-conformances, the most serious category, increased from 47% to 62%. Our efforts to tackle this issue through the certification process have not been successful and in 2018, we began work on a new certification model which will go to tender in early 2019.

Outcomes	2017	2018
% Fully Compliant	25%	22%
% Category 1 non conformities	47%	62%
% Category 2 non conformities	15%	5%
% Category 3 non conformities	3%	3%
% Inspections Ongoing	10%	8%

Table 5 Contractor Inspection Compliance Rates

Progress Against Our Goals

The increase in the rate of ongoing inspections in 2018 can be attributed to two factors, a 20% increase in enforcement cases opened in 2018 as compared to 2017 and the large volume of reports of alleged unlicensed activity in the locksmith sector.

Buyers of Security

Buyers of security services have an important role to play in the regulatory environment. Ensuring that buyers only engage the services of licensed private security contractors and individuals is a very important aspect of our compliance work. The power to prosecute a buyer of an unlicensed security service provider has been one of the most effective tools in ensuring compliance with licensing requirements. While rarely used the threat of prosecution is usually enough to guarantee regulatory compliance. We investigated 334 buyer cases in 2018 with the vast majority of buyers were found to be compliant with the licensing regulations. 13 cases (2017: 64) of unlicensed services were discovered which resulted in the contracts of unlicensed providers being terminated.

Our external inspectors continued to play an important role in ensuring compliance in the Electronic Security sectors visiting almost 1,000 business premises. Their remit has recently been extended to the Locksmith sector and we should see the benefits of this activity during 2019. As well as ensuring that the licensing regulations are adhered to, the inspectors play an invaluable role in spreading the PSA message to the business community.

Individual Compliance

In 2018, 957 unannounced inspections on licensed premises, retail outlets and a range of other businesses were carried out at 126 locations across the country. The focus of the inspections was to ensure that those employed providing security services are licensed and comply with the requirement to wear ID badges. 96% of those encountered were licensed and found to be wearing their ID badge.

Details	Door Supervisor	Security Guard	Overall
Inspections	73	53	126
Premises Visited	435	522	957
Premises with Security	342	298	640
Of which - - Contractors	279	113	392
- - In-house	44	175	219
- - Combination	22	20	42
Security Staff Encountered	292	762	1,054
ID Badge Compliance	95%	96%	96%

Table 6 Details of Individual inspections for 2018

Progress Against Our Goals

Compliance Actions

The compliance actions, which we can take against licence holders who breach the licensing regulations, include prosecution, revocation or suspension of licence or the issuing of an enforcement notice. In 2018, we brought 2 successful prosecutions before the courts. In addition, 14 contractors and 22 individuals had their licence revoked while 2 contractors and 8 individuals had their licences suspended for a period. A further 56 enforcement notices issued to licence holders in the year. Where a licence holder who has received an enforcement notice is found to further breach the licensing regulations, consideration is given to revoking or suspending their licence.

Section 39 of the Private Security Services Acts provides a mechanism by which a person may make a formal complaint against a licence holder. In 2018, 50 such complaints were received. In 27 cases, the complaint was not upheld by the PSA and in one case, the complaint was upheld. There were 22 cases still under enquiry at year's end.

Action	2017	2018
Advice	2	6
Caution	5	5
Warning	36	18
Reprimand	2	1
Suspension	5	10
Revocation	18	36
Prosecution	1	2

Table 7 Summary of Enforcement Actions taken in 2018

Progress Against Our Goals

Goal 3: Raising the levels of standards and qualifications in our industry.

Standards

In August, we launched a public consultation on licensing of individuals in the Event Security sector. This was followed in November by a public consultation process on a technical requirements for the Access Control sector in addition to a requirements document to replace the current SR40:2006 standard in use in the Electronic Security sectors. These new standards are scheduled to be implemented during the course of 2019.

Work also commenced on the development of a technical standard for the installation and maintenance of powered gates with the view of engaging in a public consultation on the document in 2019. We also established a working group to consider the licensing requirements for the Security Consultant sector.

A new quality management standard for the Cash-In-Transit sector (PSA 76:2018) sector was published during the year.

Training

The introduction of training requirements for the licensing of individuals in the Intruder Alarm Monitoring and CCTV Monitoring sectors took place during the year in advance of licensing the sector. A working group looking at the training requirements for individuals in the Private Investigator sector produced a draft training document which is currently being reviewed. Our aim is to announce a timeframe for licensing of the sector during 2019.

The implementation of a PSA Requirements document for Training Providers providing courses for licensing purposes (TP1:2018) occurred during 2018. This is a major step in our monitoring of the provision of training for licensing purposes. In addition, only training delivered by Training Providers who comply with these requirements and who are approved by the PSA, will be accepted for licensing purposes. We have established a Trainers Forum where approved providers and the PSA meet to discuss regulatory and industry matters. At the end of the year there were 25 approved Training Providers.

We commenced an examination of the Electronic Security Systems Apprenticeship to see if it would be a suitable qualification for the licensing of individuals in the Electronic Security sectors. This work will continue in 2019.

Progress Against Our Goals

Goal 4: Promoting the benefits of our industry.

We continued to engage with our licence holders, industry stakeholders, their clients and the wider public during 2019. We ran a range of public information campaigns across radio, newspapers and trade magazines focusing our message on areas where we felt our profile was weak. We attended a number of expos where we engaged with stakeholders and the wider public and produced a range of information leaflets.

Our website continues to play an important role in communicating our message with over 120,000 hits in 2018. In recognition of this, we are investing in a new website during 2019 which will also provide us with a social media profile for the first time.



GDPR Information Seminar

In March, we arranged an information seminar for licence holders on the General Data Protection Regulations (GDPR), which came in to force in May. A representative of the Office of the Data Protection Commissioner spoke at the event and outlined the changes in data protection requirements and highlighted specific issues for the security industry.

We published 5 editions of our e-zine “PSA Watch” during the year. The e-zine is an effective way for providing information on key events, important updates and significant industry announcements to interested parties.

Progress Against Our Goals

Goal 5: Supporting our staff and enhancing our organisation

Our staff are our greatest strength and we recognise their contribution to making regulation a success. They play a key role in our business planning and reviews and some of our key decisions have been as a result of ideas from our staff. We continued to invest in staff training and development and staff attended a range of courses and seminars during 2018. During the year, our workforce increased from 41 (FTE² 36.0) to 46 (FTE 42.1) in response to increased work volumes and the implementation of the new Strategic Plan.

Following customer feedback, we made improvements to our phone answering service in December by engaging a call centre to process our calls for us. The change was made ahead of our busiest period in the licensing cycle which generates an increase in call activity. Initial feedback from both customers and staff has been positive.



In 2018, we received an award from the OPW for energy efficiency in a Historic Building. The award was in recognition of the energy saving efficiencies carried out in the PSA building.

² FTE = Full time equivalent which takes account of staff on different worksharing patterns.

Statement of Internal Control

Scope of Responsibility

On behalf of the Board of the Private Security Authority (PSA) and in accordance with the requirements of the 2016 Code of Practice for the Governance of State Bodies (the “Code”), I wish to acknowledge the Board’s responsibility for ensuring that an effective system of internal control is maintained and operated by the PSA.

Purpose of System of Internal Control

The system of internal control is designed to manage risk to a tolerable level rather than eliminate it. It can therefore only provide reasonable and not absolute assurance that a loss or error will not occur. The current system of controls has developed over many years and been subject to continuous review by the Board of the PSA. The current Board was appointed in November 2017.

Risk Management

The Audit and Risk Committee (ARC) met 4 times in 2018. It comprises of four Board members, one with financial expertise and one of whom is Chair. A member of the Executive acts as Secretary. The first meeting of the ARC was in January 2018.

The Department of Justice and Equality’s Internal Audit Unit provide internal audit services to the PSA. The work programme is agreed between the Unit, ARC and the Executive.

The risk management policy is continually reviewed by the ARC and a risk report is presented at each meeting of the ARC and Board.

Risk and Control Framework

The PSA has implemented a risk management system which identifies and reports key risks and the management actions being taken to address and, to the extent possible, to mitigate those risks.

A risk register is in place which identifies the key risks facing the PSA and these have been evaluated and graded according to their significance. The register is reviewed and updated (by the PSA Executive), considered by the ARC and reviewed at PSA Board Meetings. The outcome of these assessments is to ensure risks are managed to an acceptable level.

The risk register details the controls and actions needed to mitigate risks and responsibility for operation of controls assigned to specific managers. The control environment includes the following;

- procedures for all key business processes have been documented.
- financial responsibilities have been assigned at management level with corresponding accountability.
- there is an appropriate budgeting system with an annual budget which is kept under review by the Board and senior management.
- there are systems aimed at ensuring the security of the information and communication technology systems.
- there are systems in place to safeguard the assets.

Ongoing Monitoring and Review

All control processes are monitored by senior management. Control deficiencies are reported and discussed at management meetings. The Board is kept informed by the Chief Executive's report at each Board meeting and the Risk Register of relevant matters. In addition, the Chief Executive has an audit team who undertake periodic checks across all aspects of the business. I confirm that the following ongoing monitoring systems are in place:

- Key risks and related controls have been identified and processes have been put in place to monitor the operation of those key controls and report any deficiencies,
- Reporting arrangements have been established at all levels where responsibility for financial management has been assigned and,
- There are regular reviews by senior management of periodic and annual performance and financial reports which indicate performance against budgets/forecasts.

Additional Control Measures

During 2018, additional control measures included an audit of our Data Protection Systems by the Office of the Data Protection Commissioner and an audit of our IT Systems by Mazars on behalf of the Department of Justice and Equality.

Procurement

During 2018, the PSA complied with current procurement rules and guidelines and adhered to the Department of Justice and Equality guidelines on the payment of invoices.

Review of Effectiveness

The current Board of the Authority was appointed in November 2017. The Audit and Risk Committee was appointed at the first meeting of the Board in December 2017. A

review of the internal controls in place in 2018 was completed by the ARC in 2019. The Board's Evaluation of performance for 2018 was signed by the Chairman of the Board at the 27 May 2019 Board meeting.

Anti-Fraud and Protected Disclosures

There were no disclosures made under the Authority's Anti-Fraud Policy or Protected Disclosures Policy during 2018.

Internal Control Issues

No weaknesses in internal control were identified in relation to 2018 that require disclosure in the financial statements. The Board have considered the Risk Register at its December 2018 meeting and there are no internal control issues on which to report.



Noel Lappin
Chairman
27 May 2019

Recommendations and Management Comments from Internal Audit Report (IAU) and Comptroller and Auditor General's Report (CAG) still open at 31 December 2018

	Recommendation	Management Comment	Current Status
IAU1	Internal Audit's view is that a more streamlined system of application data into Slicma, with automatic verification of income through Realex/Elavon, through to the PSA bank account would be the most appropriate development solution.	The PSA agrees with this recommendation and will bring the matter to the attention the attention of the Department's IT division. However, it should be noted that these payments are being manually reconciled at present and while this is not the ideal, it does provide a control mechanism.	On Hold – Resources required to invest in IT solution.
IAU2	A documented contingency plan should be in place that outlines the procedure to be followed in the event of inability to access the PSA premises in Tipperary.	The PSA has an agreement with the Department to move to the Department's offices on Rosanna Road in such an event.	On Hold - Will be implemented when resources become available.
C&AG1	The audit recommends that licences issued in any period are reconciled to the income received in the period.	<p>The fees are paid at the time the application is lodged and are recorded on both licensing databases. The reconciliation of payments against applications is undertaken on a daily basis and an application cannot be processed unless the payment is recorded. Our databases are programmed so that a licence cannot issue unless the payment details are recorded.</p> <p>Not all applications result in a licence being issued and in the case of contractors, refunds of part of the fee can occur under certain circumstances. There can also be a considerable time lapse between the receipt of an application and the issuing of a licence, in a small number of cases over 12 months. As a result, the current practice is for licence fees to be reconciled against applications received in any period rather than against licences issued. This has been accepted by C&AG during previous audits.</p>	On Hold – To be reviewed as part of the Development of a Payments Reconciliation System (see IAU1 above).

Financial Statements

Private Security Authority

For the year ended 31 December 2018

**FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2018**

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GOVERNANCE STATEMENT AND BOARD MEMBERS' REPORT

Governance

The Board of the Private Security Authority (PSA) was established under the Private Security Services Acts 2004 and 2011. The current Board was appointed in November 2017 for a term of four years. The functions of the Board are set out in Section 8 of the Acts.

The Board is accountable to the Minister for Justice and Equality and an oversight agreement for 2018 was in place with the Minister's Department. The oversight agreement defines the relationship between the PSA and the Department and sets out agreed goals and objectives for the year.

The Board is responsible for ensuring good governance and performs this task by setting strategic objectives and targets and taking strategic decisions on all key business issues. In November 2018, the Board published its Strategic Plan for the Period 2019 – 2021. The regular day-to-day management, control and direction of the PSA are the responsibility of the Chief Executive Officer (CEO) and the senior management team. The CEO and senior management team follow the broad strategic direction set by the Board, and ensure that all Board members have a clear understanding of the key activities and decisions related to the PSA, and of any significant risks likely to arise. The CEO acts as a direct liaison between the Board and management of the PSA.

Board Responsibilities

The work and responsibilities of the Board are set out in the Private Security Services Acts. Board Members are committed to ensuring that they act in accordance with best governance practice. In addition to the Code of Practice for the Governance of State Bodies, Board members must further adhere to the following PSA documents;

- General Governance Guidelines,
- Code of Business Conduct,
- Ethics in Public Office,
- Protected Disclosures Policy,
- Compliance with Non Disclosure provisions of the Private Security Services Act 2004 and 2011,

Standing items on the agenda of Board meeting include:

- Declaration of Interests,
- Minutes of meeting,
- Committee reports,
- Financial reports/Management accounts,
- Risk Register,
- Annual Business Plan and Strategic plan updates.

At Board meetings, the CEO provides regular updates on operational matters, the implementation of Board policy, budgetary matters and any other issues of relevance.

Section 4 of Schedule 1 of the Private Security Services Acts requires the CEO, under the direction of the Board, to keep, in such form as may be approved by the Minister for Justice and Equality with the consent of the Minister for Public Expenditure and Reform, all proper and usual accounts of money received and expended by it.

The Board is responsible for keeping adequate accounting records which disclose, with reasonable accuracy at any time, its financial position. The Board is responsible for preparing the financial statements and in preparing these statements, the Board is required to:

- select suitable 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 it will continue in operation, and
- state whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements.

The Board is responsible for approving the annual business plan and budget and this takes place each year at the January Board meeting.

The Board's Evaluation of Performance for 2018 has been completed.

The Board is also responsible for safeguarding its assets and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The Board considers that the financial statements of the PSA give a true and fair view of the financial performance and the financial position of the PSA at 31 December 2018.

Board Structure

The current board was appointed by the Minister for Justice and Equality on the 9th November 2017. The list of Board members at 31st December 2018 is as follows;

Noel Lappin	Chairman
Padraic Cafferty	Employers Representative
Siobhán Cleary	PSA Staff Representative
Alan Durnan	Employers Representative
John Garry	Representative of the Minister for Justice and Equality
Sean Heading	Employee Representative
Geraldine Kelly	Legal Representative
A. Commissioner John O'Driscoll	Representative of An Garda Síochána
Richard O'Farrell	Discretionary Non Defined Appointee
Bryan Redmond	Representative of the Minister for Education and Skills
Christy Waters	Employee Representative

The Board met on 5 occasions in 2018. The table below summarises the attendance at these meetings:

NAME	29/01/2018	26/03/2018	28/05/2018	24/09/2018	26/11/2018
Noel Lappin	√	√	√	√	√
Padraic Cafferty	√	√	√	√	√
Siobhan Cleary	√	√	√	X	√
Alan Durnan	X	√	√	√	√
John Garry	√	√	X	√	√
Sean Heading	√	X	√	√	√
Geraldine Kelly	√	√	√	√	√
A. Commissioner John O'Driscoll	√	√	X	X	√
Richard O'Farrell	√	√	√	√	√
Bryan Redmond	√	√	√	√	√
Christy Waters	√	√	√	√	√

Audit and Risk Committee

The Audit and Risk Committee met on 4 occasions in 2018 and on one occasion met with a senior Auditor from the Office of the Comptroller and Auditor General (without the PSA Executive). The members of the Committee are Geraldine Kelly (Chairperson), John Garry, Alan Durnan and Richard O'Farrell. The Secretary to the Audit and Risk Committee is Pat Gooley.

The role of the Audit and Risk Committee (ARC) is to support the Board in relation to its responsibilities for the issues of risk, control and governance and associated assurance. The ARC is independent from the financial management of the organisation. In particular, the ARC ensures that the internal control systems including audit activities are monitored actively and independently. The ARC reports to the Board at each meeting, formally and in writing.

BOARD MEMBERS FEES

Fees of €63,911 were paid to board members in 2018 (2017: €37,834) as follows:

Board Member	2018	2017
	€	€
Noel Lappin (Chairperson)	11,970	8,977
Padraic Cafferty	7,695	5,771
Geraldine Kelly	7,695	5,771
Christy Waters	7,695	5,771
Alan Durnan	9,618	N/A
Sean Heading	9,618	N/A
Richard O' Farrell	9,618	N/A
John O' Driscoll	-	-
Arthur Hall	N/A	3,847
Freda O'Dowd	N/A	3,847
Ann Reid	N/A	3,847
John Garry	-	N/A
Bryan Redmond	-	N/A
Siobhan Cleary	-	N/A
	63,911	37,833

- N/A not a member of the Board in that year.
- Three Board Members Fees in 2018 are higher than the other Board members as these Board members were appointed to the new Board in November 2017 and did not received their respective Board fee until 2018.

Disclosures required by Code of Practice for the Governance of State Bodies (2016)

The Board is responsible for ensuring that the PSA has complied with the requirements of the Code of Practice for the Governance of State Bodies (“the Code”), as published by the Department of Public Expenditure and Reform in August 2016. The following disclosures are required by the Code.

Employee Short-Term Benefits

Employee Short-Term Benefits Breakdown in excess of €60,000			
Range of Total Employee Benefits		Number of Employees	
From	To	2018	2017
€60,000	- €69,999	4	2
€70,000	- €79,999	2	2
€80,000	- €89,999	0	0
€90,000	- €99,999	1	1

	2018	2017
	€	€
Consultancy Costs		
- Consultancy services	67,593	32,437
- Public relations/marketing	204,729	228,161
- Other	24,226	30,967
Legal Costs		
- Legal fees	30,924	34,776
- Legal advice	17,585	1,794
Hospitality		
- Hospitality	1,755	Nil
Travel and Subsistence Expenditure		
- Board Members Domestic Travel	2,532	1,847
- Board Members International Travel	Nil	Nil
- Employees Domestic Travel	82,677	89,215
- Employees International Travel	4,170	496
CEO Salary/Travel and Subsistence		
- Salary	99,458	90,426
- Travel/Subsistence	8,726	8,593

Statement of Compliance

The Board has adopted the Code of Practice for the Governance of State Bodies (2016) and has put procedures in place to comply with the Code. The PSA will continue to adopt the Code of Practice for the Governance of State Bodies and will take into account any items of non-compliance identified by respective auditors going forward.

STATEMENT ON INTERNAL CONTROL

Scope of Responsibility

On behalf of the Board of the Private Security Authority (PSA) and in accordance with the requirements of the 2016 Code of Practice for the Governance of State Bodies (the “Code”), I wish to acknowledge the Board’s responsibility for ensuring that an effective system of internal control is maintained and operated by the PSA.

Purpose of System of Internal Control

The system of internal control is designed to manage risk to a tolerable level rather than eliminate it. It can therefore only provide reasonable and not absolute assurance that a loss or error will not occur. The current system of controls has developed over many years and been subject to continuous review by the Board of the PSA. The current Board was appointed in November 2017.

Risk Management

The Audit and Risk Committee (ARC) met 4 times in 2018. It comprises of four Board members one with financial expertise and one of whom is Chair. A member of the Executive acts as Secretary. The first meeting of the ARC was in January 2018.

The Department of Justice and Equality’s Internal Audit Unit provide internal audit services to the PSA. The work programme is agreed between the Unit, ARC and Executive.

The risk management policy is continually reviewed by the ARC and a risk report is presented at each meeting of the ARC and Board.

Risk and Control Framework

The PSA has implemented a risk management system which identifies and reports key risks and the management actions being taken to address and, to the extent possible, to mitigate those risks.

A risk register is in place which identifies the key risks facing the PSA and these have been evaluated and graded according to their significance. The register is reviewed and updated (by the PSA Executive), considered by the ARC and reviewed at PSA Board Meetings. The outcome of these assessments is to ensure risks are managed to an acceptable level.

The risk register details the controls and actions needed to mitigate risks and responsibility for operation of controls assigned to specific managers. The control environment includes the following;

- procedures for all key business processes have been documented,
- financial responsibilities have been assigned at management level with corresponding accountability,
- there is an appropriate budgeting system with an annual budget which is kept under review by the Board and senior management,
- there are systems aimed at ensuring the security of the information and communication technology systems,
- there are systems in place to safeguard the assets.

Ongoing Monitoring and Review

All control processes are monitored by senior management. Control deficiencies are reported and discussed at management meetings. The Board is kept informed by the Chief Executive's report at each Board meeting and the Risk Register of relevant matters. In addition, the Chief Executive established an audit team who undertake periodic checks across all aspects of the business. I confirm that the following ongoing monitoring systems are in place:

- Key risks and related controls have been identified and processes have been put in place to monitor the operation of those key controls and report any deficiencies,
- Reporting arrangements have been established at all levels where responsibility for financial management has been assigned and
- There are regular reviews by senior management of periodic and annual performance and financial reports which indicate performance against budgets/forecasts.

Additional Control Measures

During 2018, additional control measures included an audit of our Data Protection Systems by the office of the Data Protection Commissioner and an audit of our IT Systems by Mazars on behalf of the Department.

Procurement

During 2018 the PSA complied with current procurement rules and guidelines and adhered to the Department of Justice and Equality guidelines on the payment of invoices.

Review of Effectiveness

The current Board of the PSA was appointed in November 2017. The ARC was appointed at the first meeting of the Board in December 2017. A review of the internal controls in place in 2018 was completed by the ARC in 2019. The Board's Evaluation of Performance for 2018 has been completed.

Internal Control Issues

No weaknesses in internal control were identified in relation to 2018 that require disclosure in the financial statements.

Mr. Paul Scallan
Chief Executive:



Date: 27 May 2019

Mr. Noel Lappin
Chairperson:



Date: 27 May 2019

STATEMENT OF INCOME AND EXPENDITURE AND RETAINED REVENUE RESERVES FOR THE YEAR ENDED 31 DECEMBER 2018

	Notes	€	2018 €	€	2017 €
INCOME					
Oireachtas Grant	2		2,697,417		2,795,914
Licence Fees	3		2,468,967		3,042,919
Inspectorate	16		1,475		9,524
			<u>5,167,859</u>		<u>5,848,357</u>
Transfer from/(to) Capital Account	9		<u>58,494</u>		<u>(97,025)</u>
			5,226,353		5,751,332
EXPENDITURE					
Staff Costs	4	2,053,429		1,904,532	
Administration	5	<u>703,195</u>		<u>799,741</u>	
Total Expenditure		<u>2,756,624</u>		<u>2,704,273</u>	
Surplus for the year before remittances			2,469,729		3,047,059
Remitted to the Department of Justice and Equality	3		(2,418,245)		(3,161,954)
Surplus/(Deficit) for the year			51,484		(114,895)
Surplus brought forward			157,210		272,105
Surplus at 31 December			<u>208,694</u>		<u>157,210</u>

The Statement of Income and Expenditure and Retained Revenue Reserves includes all gains and losses recognised in the year. The statement of cash flows and notes 1 to 17 form an integral part of these financial statements

Mr. Paul Scallan
Chief Executive:



Date: 27 May 2019

Mr. Noel Lappin
Chairperson:



Date: 27 May 2019

STATEMENT OF FINANCIAL POSITION AS AT 31 DECEMBER 2018

	Notes	€	2018 €	€	2017 €
TANGIBLE ASSETS					
Property, plant and equipment	6		180,671		239,165
CURRENT ASSETS					
Receivables	7	9,211		8,402	
Bank and cash		209,940		158,642	
Inventory		<u>5,155</u>		<u>5,778</u>	
			<u>224,306</u>		<u>172,822</u>
CURRENT LIABILITIES					
Payables	8		<u>15,612</u>		<u>15,612</u>
NET CURRENT ASSETS					
			<u>208,694</u>		<u>157,210</u>
TOTAL NET ASSETS					
			<u>389,365</u>		<u>396,375</u>
LONG TERM LIABILITIES					
Capital Account	9		180,671		239,165
Income and Expenditure and Retained Earnings			<u>208,694</u>		<u>157,210</u>
			<u>389,365</u>		<u>396,375</u>

The statement of cash flows and notes 1 to 17 form an integral part of these financial statements

Mr. Paul Scallan
Chief Executive:



Date: 27 May 2019

Mr. Noel Lappin
Chairperson:



Date: 27 May 2019

**STATEMENT OF CASH FLOWS FOR THE YEAR
ENDED 31 DECEMBER 2018**

Cash flows from operating activities	2018	2017
	€	€
Operating surplus/(deficit) for year	51,484	(114,895)
Depreciation of Tangible Assets	58,494	47,990
Transfer to Capital Account	(58,494)	97,025
Decrease/(Increase) in Inventory	623	1,761
(Increase)/Decrease in Receivables	(809)	(37)
(Decrease)/Increase in Payables	0	0
Loss on Disposal of property, plant & equipment	0	0
	-----	-----
Net cash inflow from operating activities	51,298	31,844
Cash flows from investing activities		
Payments to acquire property, plant and equipment	0	(145,015)
Increase/(Decrease) in cash and cash equivalents	51,298	(113,171)
	=====	=====

STATEMENT OF CHANGES IN NET FUNDS

	2018	2017
	€	€
Net funds at 1 January	158,642	271,813
Net funds at 31 December	<u>209,940</u>	<u>158,642</u>
Increase/(Decrease) in Cash	51,298	(113,171)
	=====	=====

Notes 1 to 17 form an integral part of these financial statements

Mr. Paul Scallan
Chief Executive:



Date: 27 May 2019

Mr. Noel Lappin
Chairperson:



Date: 27 May 2019

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2018

1. STATEMENT OF ACCOUNTING POLICIES

The basis of accounting and significant accounting policies are set out below. They have all been applied consistently throughout the year and for the preceding year. Where necessary comparative figures have been restated on the same basis as current year figures.

A. GENERAL INFORMATION

The Private Security Authority was set up under the Private Security Services Act 2004, with a head office in Tipperary town. The Private Security Authority is a Public Benefit Entity.

B. BASIS OF ACCOUNTING

These financial statements have been prepared in accordance with the accounting policies set out below and in accordance with generally accepted accounting principles under the historical cost convention.

C. LICENCE FEES

Licence fees are recognised as income in the period they are received. The fees collected are remitted monthly to the Department of Justice and Equality based on the amounts received by the Authority in the prior month. A liability is not recognised for fees received in the last month of the accounting year and remitted to the Department in the subsequent year.

D. OIREACHTAS GRANTS

These are accounted for on a cash received basis. Oireachtas grants comprise 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.

E. PROPERTY, PLANT AND EQUIPMENT AND DEPRECIATION

Property, plant and equipment 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 & Fittings	10%
IT Equipment	20%
Online Renewal System	20%
Office Equipment	20%

	2018	2017
	€	€
2. OIREACHTAS GRANT		
Sub-Head B16 of Vote 24 – Justice and Equality	2,697,417	2,795,914
- for pay and general administration costs		

3. LICENCE FEES

The licensing cycle is a two-year cycle for contractors, and a three-year cycle for individuals, with the majority of contractors falling due for renewal in year 1 and the majority of individuals falling due for renewal in year 2 of the 3 year cycle. 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.

Remittance to the Department of Justice and Equality

	2018	2017
	€	€
Licence fees received in prior period due to be remitted as at start of year	158,603	271,613
Bank charges in the year	(919)	(3,499)
Licence fee income in the year	2,468,967	3,042,919
Inspectorate Income	1,475	9,524
Remitted to the Department of Justice and Equality	<u>2,418,245</u>	<u>3,161,954</u>
Amount due to be remitted at end of year	<u>209,881</u>	<u>158,603</u>

4. STAFF COSTS

	2018	2017
	€	€
Salaries and wages	1,964,049	1,814,821
Travel and subsistence - National	85,210	89,215
Travel and subsistence - International	4,170	496
	<u>2,053,429</u>	<u>1,904,532</u>

The Authority employed 45 Staff at 31 December 2018 (2017: 41).

	2018	2017
	€	€
5. ADMINISTRATION		
Consultancy Costs		
Consultancy services	67,593	32,437
Legal advice	17,585	1,794
Audit fee	11,000	11,000
Accountancy fee	4,612	4,612
Public Relations / Marketing	204,729	228,161
Other	24,226	30,967
General		
Office expenses	76,775	75,796
Authority members' fees	63,911	37,834
Communications costs	60,177	67,655
Licensing costs	55,623	83,879
Depreciation	58,494	47,990
Repairs & maintenance	4,357	4,342
External Inspectors	8,400	27,450
Other IT costs	1,668	34,664
Legal Costs		
Legal fees	30,924	34,776
Hospitality		
Hospitality	1,755	-
Appeals Board	11,366	76,384
	-----	-----
	703,195	799,741

6. PROPERTY, PLANT AND EQUIPMENT

	Furniture & Fittings €	IT Equipment €	Online Renewal System €	Office Equipment €	Total €
COST					
At 1 January	6,922	504,059	306,540	31,505	849,026
Additions	-	-	-	-	-
Disposal	(6,123)	-	-	(586)	(6,709)
At 31 December	799	504,059	306,540	30,919	842,317
ACCUMULATED DEPRECIATION					
At 1 January	6,921	503,388	68,593	30,959	609,861
Charge for year	-	(3,360)	61,308	546	58,494
Disposals	(6,123)	-	-	(586)	(6,709)
At 31 December	798	500,028	129,901	30,919	661,646
NET BOOK VALUE					
At 31 December	1	4,031	176,639	0	180,671
At 1 January	1	671	237,947	546	239,165

7. RECEIVABLES

	2018	2017
	€	€
Prepayments	<u>9,211</u>	<u>8,402</u>

8. PAYABLES

	2018	2017
	€	€
Audit fee	11,000	11,000
Accountancy fee	4,612	4,612
	<u>15,612</u>	<u>15,612</u>

9. CAPITAL ACCOUNT

	2018	2017
€	€	€
Opening Balance	239,165	142,140
Additions	-	145,015
Amortisation	(58,494)	(47,990)
Transfer from/(to) Statement of Income and Expenditure	<u>(58,494)</u>	<u>97,025</u>
Balance as at 31 December	<u>180,671</u>	<u>239,165</u>

10. RETIREMENT BENEFIT COSTS

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.

11. 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 four 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.

12. 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 €66,402 in 2018 (2017: €61,367).

13. RELATED PARTY DISCLOSURES

In accordance with the Code of Practice for the Governance of State Bodies, the authority has in place procedures in relation to the disclosure of interests by Board Members and employees. These codes include guidance in relation to the disclosure of interests by Board Members and these procedures have been adhered to by the Board during the year. There were no transactions in the year in relation to the Authority's activities in which members had any beneficial interest.

14. ACCOMMODATION NOTE

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

15. CHIEF EXECUTIVE REMUNERATION

The Chief Executive's remuneration for 2018 was made up of an annual basic salary of €99,458 (2017: €90,426). In addition the Chief Executive received €8,726 in respect of travel and subsistence expenses in 2018 (2017: €8,593) 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 2018.

16. INSPECTORATE FEES

Inspectorate fees consist of fines for non-compliance with the Authority's regulations and amounted to €1,475 in 2018 (2017: €9,524). These fees are accounted for in licence fee income.

17. APPROVAL OF FINANCIAL STATEMENTS

These accounts were approved by the Authority on 27 May 2019.

Appendices

Appendix 1 - Statistical Reports

Report 1 - Number of Individual Licences Issued at 31 st December 2018 By County and Gender								
County	Door Supervisor	Security Guard	SG & DSP Sectors	Cash-in-Transit	Mon	Total	Male	Female
Carlow	65	164	101	9	21	360	326	34
Cavan	42	171	133	7	13	366	340	26
Clare	144	275	119	14	2	554	515	39
Cork	503	1,311	995	51	32	2,892	2,643	249
Donegal	165	134	178	1	0	478	439	39
Dublin	1,089	8,843	3,530	654	67	14,183	13,194	989
Galway	253	502	656	43	10	1,464	1,347	117
Kerry	178	268	265	2	0	713	673	40
Kildare	154	971	449	73	12	1,659	1,550	109
Kilkenny	62	149	101	3	5	320	305	15
Laois	66	282	234	22	6	610	574	36
Leitrim	28	39	78	2	1	148	135	13
Limerick	220	899	407	92	4	1,622	1,555	67
Longford	38	158	165	3	0	364	342	22
Louth	145	494	318	19	14	990	951	39
Mayo	154	246	180	5	0	585	540	45
Meath	145	636	285	51	1	1,118	1,053	65
Monaghan	40	77	115	14	0	246	227	19
Offaly	76	226	142	8	0	452	434	18
Roscommon	48	151	118	4	0	321	292	29
Sligo	69	130	128	34	0	361	343	18
Tipperary	118	375	237	11	6	747	703	44
Waterford	97	330	334	37	0	798	772	26
Westmeath	77	342	211	7	3	640	616	24
Wexford	114	289	281	10	22	716	663	53
Wicklow	80	381	207	31	18	717	667	50
Northern Ireland	49	42	39	20	68	218	188	30
GB (excl NI)	0	5	4	0	41	50	32	18
Other	0	0	2	0	5	7	1	6
Totals	4,219	17,890	10,012	1,227	351	33,699	31,420	2,279
% of Total	13%	53%	30%	4%	1%	100%	93%	7%

Legend

SG & DSP Sectors – Combined Door Supervisor & Security Guarding Licence
 Mon – Monitoring Centre Licence

Appendices

Appendix 2 - Statistical Reports

Report 2 - Number of Contractor Licences Issued at 31 st December 2018 By County											
County	DSE	DSP	LK	PI	SGAM	SGCCTV	SGE	SGS	IES	CIT	Total
Carlow	0	1	3	0	1	1	0	2	16	0	24
Cavan	0	0	1	1	1	1	0	1	20	0	25
Clare	0	0	3	1	0	0	0	2	16	0	22
Cork	3	3	15	8	4	4	3	10	91	0	141
Donegal	1	1	4	2	0	0	1	3	12	0	24
Dublin	16	21	68	41	9	6	17	81	276	3	538
Galway	2	3	9	6	1	1	2	9	59	0	92
Kerry	0	0	6	2	0	0	1	5	25	0	39
Kildare	3	5	14	8	1	1	3	12	56	1	104
Kilkenny	1	1	4	0	0	0	1	4	16	0	27
Laois	1	1	2	2	0	0	1	2	15	0	24
Leitrim	0	0	0	0	0	0	0	0	5	0	5
Limerick	0	0	2	2	1	1	0	4	42	0	52
Longford	1	0	0	1	0	0	1	3	10	0	16
Louth	1	2	4	0	0	0	1	5	33	0	46
Mayo	1	1	4	3	0	0	1	1	13	0	24
Meath	1	3	10	5	0	0	1	9	50	0	79
Monaghan	1	2	0	1	0	0	1	2	13	0	20
Offaly	0	0	5	0	0	0	0	0	14	0	19
Roscommon	0	0	1	0	0	0	0	1	10	0	12
Sligo	0	0	4	1	0	0	0	2	10	0	17
Tipperary	1	1	5	3	0	0	2	8	37	0	57
Waterford	1	1	4	1	0	0	2	6	17	1	33
Westmeath	2	2	3	9	0	0	3	4	16	0	39
Wexford	2	2	6	1	2	2	2	4	22	0	43
Wicklow	0	1	4	5	1	1	0	5	39	0	56
Northern Ireland	1	1	5	5	5	6	1	3	34	0	61
GB (excl NI)	0	0	1	7	8	4	2	2	6	0	30
Totals	39	52	187	115	34	28	46	190	973	5	1,669
% of Total	2%	3%	11%	7%	2%	2%	3%	11%	58%	<0.5%	100%

Legend

DSE – Door Supervisor (Event Security)
 DSP – Door Supervisor (Licensed Premises)
 LK – Locksmith
 PI – Private Investigator
 SGAM – Security Guard (Alarm Monitoring)

SGCCTV – Security Guard (CCTV Monitoring)
 SGE – Security Guard (Event Security)
 SGS – Security Guard (Static)
 IES – Installer (Electronic Security)
 CIT – Cash In Transit

Appendices

Appendix 3 - Energy Report

(As required under S.I. 542 of 2009)

In 2018, the main sources of energy usage in the Authority continued to be heating oil and electricity. Our utilities are managed through a modern, efficient Building Management System (BMS). The energy rating for the building is C2, which is above average for buildings of our type.

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:

Our Building	
Non-Electrical (kWh/m ² /yr)	Electrical (kWh/m ² /yr)
88	120
Typical Building of this type	
Non-Electrical (kWh/m ² /yr)	Electrical (kWh/m ² /yr)
129	232

The focus in 2018 was to continue to maintain the progress attained to date in reducing CO₂ emissions by 30% by 2020. Staff awareness continues to be a major theme of our campaign. Signs throughout the building remind staff to conserve electricity and be mindful of our usage. We have an Energy Committee comprising of staff from the Corporate Affairs Division tasked with ensuring we reduce our emissions for 2020. Our Energy Team was nominated for two OPW Energy Awards and we were successful in the Historic Building Category.

Contacts

Private Security Authority

*Davis Street
Tipperary Town
Co. Tipperary.
E34 PY91*

T: 062-31588/32600

E: info@psa.gov.ie

W: www.psa.gov.ie

Contractor Division

T: 062-32606

062-32614

062-32624

062-32627

062-32631

062-32635

E: contractors@psa.gov.ie

Individual Licensing Division

T: 062-32600

E: licensing@psa.gov.ie

Compliance and Inspectorate Division

T: 062-32628

062-32629

E: enforcement@psa.gov.ie

Standards and Training Division

T: 062-32636

062-32616

062-32659

E: standards@psa.gov.ie

Corporate Affairs Division

T: 062-32622

062-32633

E: info@psa.gov.ie





An tÚdarás Slándála Príobháidí
The Private Security Authority

An tÚdarás Slándála Príobháidí
Sráid an Dáibhisigh, Tiobraid Árann,
Éire, E34 PY91

The Private Security Authority
Davis Street, Tipperary Town,
Ireland, E34 PY91

T: 062 32600
E: info@psa.gov.ie

www.psa.gov.ie