



An tÚdarás Slándála Príobháidí
The Private Security Authority



ANNUAL
REPORT
2019

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

We are pleased to present the 2019 Annual Report of the Private Security Authority which charts our progress over the past year. We made considerable progress in some key areas during the year. Two new standards were published, PSA 31:2019 for new entrant contractors into the Door Supervisor, Event Security and Security Guarding sectors and PSA 74:2019, a new quality management standard replacing SR40 in the Electronic Security sectors. We set the critical date for the licensing of employees in the Event Security sector and undertook a public consultation on the requirements for licensing contractors in the Powered Gates sector.



Mr. Noel Lappin

We continued to focus resources in the area of compliance, recruiting an additional inspector in April and another scheduled to join us in January 2020. Our compliance work led to the revocation of 16 contractor licences and 10 employee licences in 2019. We processed 14,800 licence applications, up 80% on 2018, as we returned to normal volumes following the impact of the three year licence cycle introduced for employees in 2016.



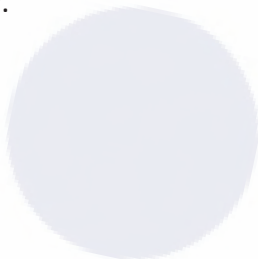
Mr. Paul Scallan

Our objectives for 2019 had been set out in our Strategic Plan 2019-2021. We highlighted in last year's report the challenge we faced in completing our mandate due to shortfalls in both funding and personnel. The departure of two of our senior management team during the year added to this challenge and made it difficult to achieve our objectives. As a result we have had to reschedule the timelines on some projects.

We would like to thank our partners across the security industry for their contributions and support over the past 12 months. Our relationships with those we licence are important to us and we will continue to expand this engagement during 2020.

We would like to acknowledge the commitment and support provided by the Minister for Justice and Equality and 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 vision and direction, our staff for their continued commitment to our mandate and all those who engaged with us to help achieve our objectives during the year.



The Role of the Private Security Authority

The Private Security Authority (PSA), is responsible for the regulation of the private security industry with in excess of 44,200 contractor and employee licences in circulation at the end of 2019. Established under the Private Security Services Acts 2004 and 2011, our role is to protect the public and clients of the security industry in Ireland. We achieve this by promoting a quality regulatory environment for businesses and individuals working in the security industry through a comprehensive standards and qualifications based licensing system. 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

We have an ambitious target to complete our licensing mandate during the term of the current Strategic Plan which runs until November 2021. We have announced the critical date for the licensing of employees in the Event Security sector and the licensing of Private Investigator employees is on schedule to be completed during 2020. We will continue our work on employee licensing in the Electronic Security and Locksmith sectors while the development of licensing in the remaining two contractor sectors, Security Consultant and Supplier and Installer of Safes, will begin soon.

In April 2019, the Minister for Justice and Equality announced that PSA Licensing would be extended to those involved in the enforcement of court orders. The Department of Justice and Equality have commenced work on the legislative changes required to introduce licensing to the area and we expect further announcement on this during 2020.

Our licensing regime is underpinned by a system of standards and qualifications for licence holders. The development of new standards and qualifications, and the ongoing review of existing ones is an integral part of our work. During 2019 we published a new standard for the Electronic Security sectors, PSA 74:2019, to replace SR 40, the long-time standard in the sectors. We also issued a revised edition of PSA 31, the standard for new contractors in the Door Supervisor, Event Security and Security Guarding sectors. On the qualifications side, we commenced the development of new training programmes in the Door Supervisor and Security Guarding sectors.

The investigation of unlicensed activity and the inspection of existing licence holders continues to be an important focus of our work. Our inspection teams not only operated across the country but inspected some of our licence holders based abroad as part of our ongoing monitoring of the security industry.

The cash in transit sector faced a major challenge during the year with the appointment of a liquidator to one of our licensed cash in transit contractors. This has led to a risk to clients funds in the region of €2 million. We are following the details of this case closely so that we might identify measures that can be introduced to mitigate the risks of a similar situation arising in the other cash in transit contractors.

Raising awareness of licensing helps promote the benefits of a regulated security industry to the public. We advertised across a range of media including radio, newspaper and trade magazines as well as attending expos and other events. We will continue to support our industry by promoting their services to the public.



2019 at a Glance

Sector	Individuals	Contractors	Turnover (€)
Door Supervisor (Event Security)	N/A	38	3,468,000
Door Supervisor (Licensed Premises)	13,759	48	18,408,000
Locksmith	N/A	220	21,285,000
Private Investigator	N/A	108	13,851,000
Security Guard (Monitoring)*	583	34	47,489,000
Security Guard (CCTV Monitoring)	N/A	29	12,386,000
Security Guard (Event Security)	N/A	47	5,021,000
Security Guard (Static)	26,921	184	361,354,000
Electronic Security Sector ¹	N/A	1,017	232,553,000
Cash In Transit	1,292	4	66,217,000
Total **	42,555	1,729	782,032,000

* 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 licences 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.

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.

Board of the Authority

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

Senior Management Team

Paul Scallan	Chief Executive
Seamus Burke	Chief Inspector
Lisa Kelly	Head of Licensing
Siobhan Cleary	Head of Qualifications and Standards
Joe Duggan	Head of 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. We strive to foster a positive culture of ethical behaviour and governance in delivering regulation. Corporate Governance within the PSA is guided by:

- Code of Practice 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.
- Oversight Agreement between the Department of Justice and Equality and the PSA.

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. In 2019, the Board underwent an external evaluation of its performance in accordance with the requirements of the Code of Practice for the Governance of State Bodies.

There are procedures 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. We encourage Board members, staff and others who may have concerns about how we conduct our business to engage with protected disclosure and anti-fraud regulations, as appropriate.

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 2019, the PSA also carried out an Internal Data Protection Audit and enacted a new Health and Safety Statement.

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.

As part of our commitment to meet our obligations under Section 42 of the Irish Human Rights and Equality Commission Act 2014 we will publish a Public Sector Duty Statement and Action Plan in 2020.

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. At each meeting, the CEO provides the Board with a range of documents including a risk management report, financial statement, update on the progress and implementation of the Strategic Plan and Business Plan, and a report on the implementation of Board decisions.

The Board of the PSA met on 5 occasions during 2019. The table below summarises the attendance at these meetings:

NAME	28/01/19	25/03/19	27/05/19	23/09/19	25/11/19
Noel Lappin**	√	√	√	√	√
Padraic Cafferty	√	√	√	√	√
Eilish McCormack ²	√	√	√	√	√
Alan Durnan* **	√	√	√	√	√
John Garry*	√	√	χ	√	√
Sean Heading	χ	√	√	√	√
Geraldine Kelly*	√	√	√	χ	√
A/Comm John O'Driscoll	χ	√	χ	√	χ
Richard O'Farrell* **	χ	√	√	√	√
Bryan Redmond	√	N/A	N/A	N/A	N/A
Christy Walters	√	√	√	√	√
David Smith ³	N/A	N/A	χ	√	√

* Members of the Audit and Risk Committee.

** Members of the Resources/Strategy Committee

The Audit and Risk Committee met 5 times in 2019. The activities of the committee included but was not limited to the following;

- Meeting with the Office of the Comptroller and Auditor General.
- Meeting with the Department of Justice and Equality's Internal Audit Unit.
- A review of the 2018 Department of Justice and Equality's Internal Audit Report and the C&AG Report for 2018.
- Review of the 2018 Financial Statements.
- Review of 2018 Assurance Statements.
- Review System of Internal Control and Statement on Internal Control 2018.
- 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 Resources Committee in March 2019 with the purpose of identifying the resources required to effectively deliver our mandate. In September, a Strategy Committee was established to monitor the delivery of the Strategic Plan. The Resources Committee was merged with this Committee in November 2019.

Board members have access to the IPA's Governance Forum and members participated in a number of events and training courses during the year.

² Eilish McCormack replaced Siobhan Cleary who resigned from the Board in January 2019.

³ David Smith replaced Bryan Redmond who resigned from the Board in January 2019.

2019 at a Glance

1,403

Contractors Licensed
At Years End
(2018: 1,356)

32,528

Individuals Licensed
At Years End
(2018: 33,699)

Licensing Date for
Event Security
Employees Announced

Two New
Standards Published

€3,381,078

Income from Fees
(2018: €2,517,375)⁴

847

Enforcement Cases
(2018: 1,109)

14,775

Applications Processed
(2018: 8,240)⁴

50 Staff

(2018: 45)

⁴The reduction in fees and applications in 2018 reflects the introduction of the 3 year licence for individuals in 2016.

Strategic Plan 2019 To 2021

Our fourth Strategic Plan for the period 2019 to 2021, was launched in November 2018. The Plan seeks to;

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

The Strategic Plan provided the framework under which we operated during 2019. Using the Plan, we developed a Business Plan for the year which provided the mechanism for delivering our strategic goals. **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.

2019 at a Glance

Goal 1: Critical date for licensing of Event Security employees announced
Goal 2: 26 licences revoked
Goal 3: Two new standards, PSA 31:2019 and PSA 74:2019 published
Goal 4: Increased advertising on radio and in print media
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 Private Security Services Act identifies 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

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

We currently licence contractors across 12 sectors and employees across 4. The departure of key senior staff in the standards and qualifications area impacted on our progress in developing licensing for the remaining sectors in 2019. As a result, some timelines for licensing set out in our Strategic Plan were not met and this will lead to delays in licensing in other areas. Despite this, we made good progress in some areas. The critical date for the licensing of employees in the Event Security sector was announced, development work on technical standards for Access Control and Powered Gates was advanced while training requirements for the licensing of employees in the Private Investigator sector are nearing completion. We still aim to complete our current licensing mandate within the lifetime of the Strategic Plan.

Business Licensing

The number of contractor licences in circulation at the end of the year was 1,729, an increase of 60 on last year. The Electronic Security sectors accounted for the largest increase, 44, followed by the Locksmith sector with an additional 33 licences. The only other sectors to experience an increase were Security Guard (CCTV Monitoring) and Security Guard (Event Security), 1 each. With the exception of the Security Guard (Alarm Monitoring) sector which remained unchanged, the remaining sectors all experienced a decline in numbers.

The total number of contractors holding licences increased from 1,356 at the start of the year to 1,403 on the 31st December 2019. The difference between the number of licences in circulation and the number of contractors licensed is accounted for by contractors having licences in multiple sectors.

	2016	2017	2018	2019
DOOR SUPERVISOR (EVENT SECURITY)	47	43	39	38
DOOR SUPERVISOR (LICENSED PREMISES)	52	49	52	48
LOCKSMITH	N/A	162	187	220
PRIVATE INVESTIGATOR	131	110	115	108
SECURITY GUARD (ALARM MONITOTRING)	40	36	34	34
SECURITY GUARD (CCTV MONITORING)	31	29	28	29
SECURITY GUARD (EVENT SECURITY)	55	49	46	47
SECURITY GUARD (STATIC)	199	192	190	184
INSTALLER ELECTRONIC SECURITY	807	930	973	1,017
CASH IN TRANSIT	6	6	5	4
TOTAL	1,368	1,606	1,669	1,729

Table 1 Comparison of Number of Licences Issued for each sector in the years 2016 to 2019

863 contractor applications were received during the year up from 664 in 2018. The increase can be accounted for by the two year licence cycle which currently has a higher volume of licences expiring in odd years. 173 of the applications received were from contractors applying for their first licence, down 2 on 2018. A further 673 applications were to renew expiring licences while 12 applications were received to add a sector(s) to an existing licence.

Licence Renewals

673 of the 714 contractors who were scheduled to renew their licence during the year had done so by the end of the year. The non-renewal rate dropped from 11% in 2018 to 6% in 2019. Over half of all non-renewals were in the Electronic Security sectors. We received 21 renewals in 2019 for licences which expired during 2018.

Refusals and Rejections

8 of the 863 applications received during the year were rejected. 3 of these were subsequently lodged as valid applications. 13 applications were refused as the applicant failed to meet the requirements of licensing. 6 contractors appealed decisions made by the PSA to the Private Security Appeal Board in 2019.

7 contractors withdrew their application prior to the PSA making a final determination on their application. Contractors tend to withdraw their application in advance of a refusal decision in order to obtain a refund of the licence fee.

Private Security Appeal Board

At the start of the year, there were 4 appeals awaiting a determination with the Appeal Board. A further 6 appeals were lodged with the Appeal Board during 2019, bringing to 10 the number of appeals for determination. The Appeal Board upheld the Authority's decision in 2 cases and appeals were withdrawn in 3 more. There were 5 cases awaiting decision at the end of 2019.

Temporary Licences

Temporary licences are issued to new contractors in the CCTV and Intruder Alarms areas of the Electronic Security sector so that contractors can install systems for the purpose of obtaining the standards required for licensing. At the end of the year, there were 47 temporary licences in circulation, down 7 on the same period last year.

We received 65 applications for new temporary licences in 2019 which continues the downward trend of the past two years. 64 contractors transferred from a temporary licence to a full licence during the year.



Licence Fees

€1,429,237 was received in contractor licence fees in 2019 compared to €1,392,483 in 2018 and €1,308,837 in 2017 (the comparable year in the 2 year licence cycle). The trend of recent years with contractors declaring increased turnover at renewal resulting in them moving to a higher fees band continues.

Year	Turnover
2016	€653,971,000
2017	€710,155,000
2018	€751,123,050
2019	€781,555,000

Table 2 Contactor Turnover recorded on licence applications 2016 to 2019

Table 2 above shows the continued growth of the security industry in line with the economic growth of the country. The increase in licenced contractors during 2019 is further evidence of this expansion.

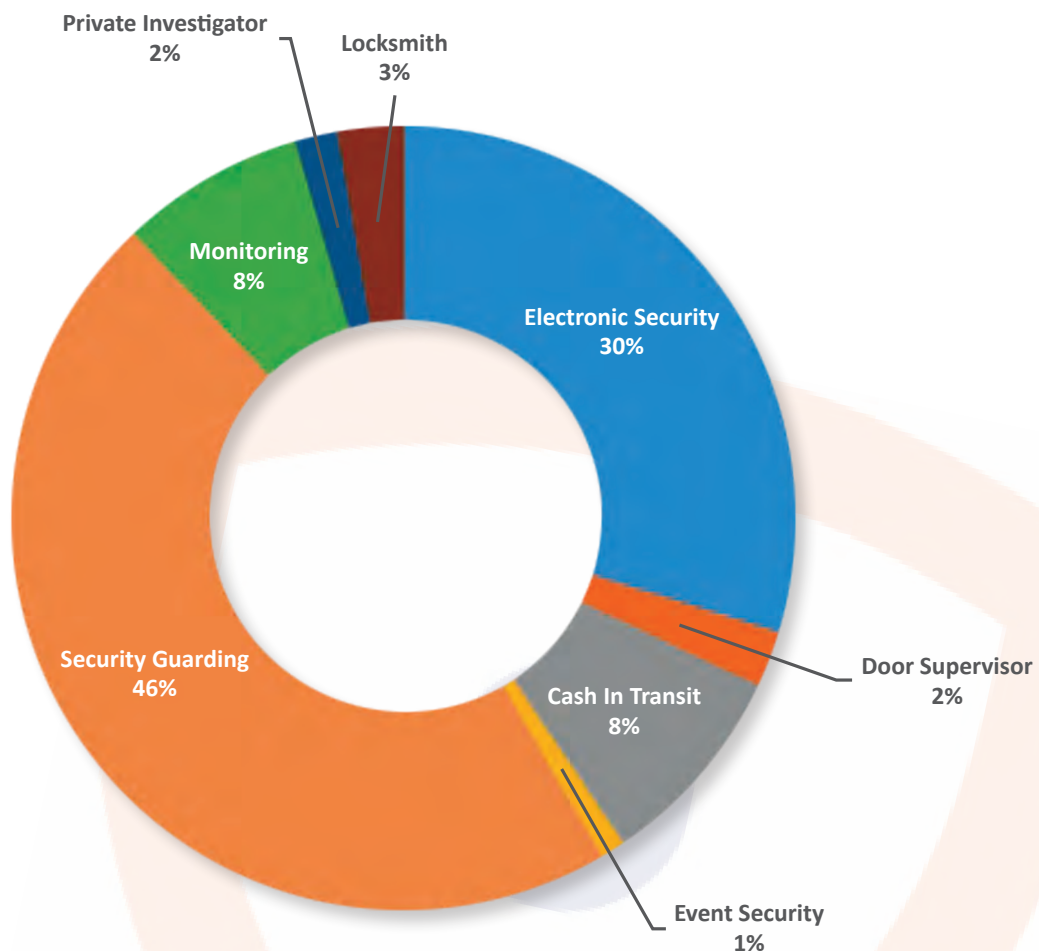


Figure 1 Overview of contractor turnover by sector in 2019

Employee Licensing

2019 saw the return of renewal applications there having been none in 2018 due to the introduction of the 3 year licence in 2016. Based on previous experience, we expected to see a dramatic fall in licence numbers because this was the first renewal year in the 3 year licence cycle, but this did not materialise. The renewal rate for the year was 51% which compares favourably with the rate of 57% recorded in 2016, the last corresponding year in the licence cycle.

There were 32,528 individual licence holders at the end of December, down 1,171 on 2018. The number of sectoral licences fell from 43,711 to 42,555, a drop of 1,156.

	2016	2017	2018	2019
DOOR SUPERVISOR (LICENSED PREMISES)	11,062	11,653	14,231	13,759
SECURITY GUARD (STATIC)	22,678	23,860	27,902	26,921
SECURITY GUARD (MONITORING CENTRE)	n/a	n/a	n/a	351
CASH IN TRANSIT	924	1,034	1,227	1,292
TOTAL	34,664	36,547	43,711	42,555

Table 3 Comparison of Number of Licences Issued for each sector in the years 2016 to 2019

The increase in licence holders in the Security Guard (Monitoring Centre) sector is due to a combination of targeted compliance work in the sector following the introduction of licensing in June 2018 and a concession provided to licence holders who held a Security Guard (Static) licence that they could switch to the monitoring licence at licence renewal.

Licence Fees

Individual licence fees were €1,951,841 compared to €1,124,893 in 2018 and €1,831,547 in 2017. The increase on 2018 is attributable to the introduction of the 3 year licence cycle which meant no licences fell due for renewal during 2018. The fees in the last comparable year, 2016, were €1,985,352.

Licence Applications

56% of all licences fell for renewal in 2019, making it the busiest year in the 3 year licence cycle. We received a total of 15,566 individual licence applications during the year comprising of 6,847 first time applications and 8,719 renewals. 1,654 (11%) applications were rejected for a variety of reasons including insufficient supporting documentation, incorrectly completed documentation and absence of payment. Most rejected cases are re-lodged as valid applications.

Refusals and Appeals

We refused 60 applications in 2019 down from 196 in 2018. Once again the main reason for refusing applications was failure to complete the Garda vetting process.

Individuals who are dissatisfied with our decision can appeal to the Private Security Appeal Board. There were 10 appeals during the year and 12 carried over from 2018 awaiting a determination. By the end of the year, the Appeal Board had adjudicated on 6 appeals, upholding our decision in 5 cases and overturning our decision in 1. Three appeals were withdrawn.

Garda Vetting

Garda vetting is an integral part of the licensing process. All applicants for a licence are vetted and the results assessed against our Fit and Proper Guidelines. For existing licence holders, we have operated a 5 year re-vetting cycle. With the introduction of a new online vetting system by the National Vetting Bureau we commenced moving to a 3 year re-vetting cycle towards the end of 2019. This will be fully operational in 2020 resulting in all licence holders being vetted at least once in a 3 year cycle.



Goal 2:

Ensuring our industry is compliant with licensing regulations.

Monitoring compliance with the Private Security Services Act and the regulations governing licensing is a key objective of our mandate. We increased our inspectorate in 2019 and there will be further expansion in 2020. We also engaged the services of external providers during the year to assist us in our compliance work.

Intelligence reports received from the industry and the public are a major source of our inspection work. These provide us with an invaluable tool in combating non-compliance and targeting our inspection resources. We received 437 intelligence reports in 2019 compared with 444 the previous year. 26% (114) of the cases received were not investigated and this was because either they had been investigated before by the Authority, the intelligence received was not sufficient 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 remaining 323 intelligence reports formed part of the 847 enforcement cases opened during the year.

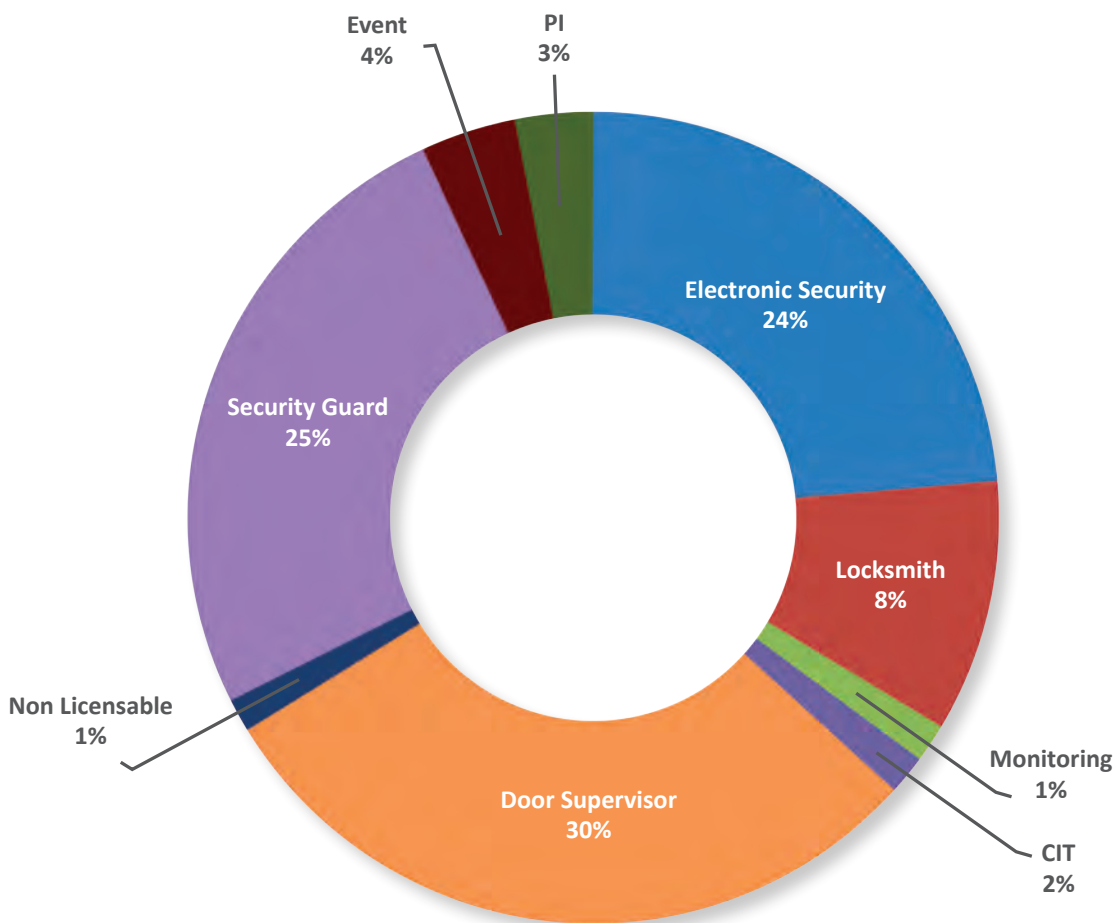


Figure 2 Overview of enforcement cases by sector in 2019

Contractor Compliance

We undertook 150 contractor inspections, up from 132 in 2018, visiting licence holders and inspecting their records to ensure compliance with the licensing regulations. The inspections continue to show a high rate of non-compliance with the standards prescribed for licensing. The number of fully compliant contractors has dropped from 25% in 2017 to 19% last year while the percentage of category 1 non-conformances, the most serious category, increased from 47% to 64% over the same two year period.

Towards the end of 2019 we commenced work on a tender for audit services. A request for expressions of interest was issued and 10 responses received. We aim to have a new certification regime in place in the first half of 2020 which will be the first step in addressing the non-conformance issues identified at inspections.

Outcomes	2017	2018	2019
% Fully Compliant	25%	22%	19%
% Category 1 non conformities	47%	62%	64%
% Category 2 non conformities	15%	5%	9%
% Category 3 non conformities	3%	3%	3%
% Inspections Ongoing	10%	8%	5%

Table 4 Contractor Inspection Compliance Rates

Each year we undertake a number of targeted compliance projects aimed at areas where we have concerns around compliance or where industry stakeholders have expressed their concerns to us. One of the projects undertaken in 2019 involved a detailed look at all online advertising platforms to identify unlicensed contractors offering installation and maintenance of intruder alarms, CCTV and Access Control systems. The initial research identified 1,217 contractors offering services through online channels. The vast majority were licensed though in some cases trading names were not recorded with the PSA. 163 were identified as potential unlicensed contractors. However, further analysis revealed that most of these were no longer trading or the services provided did not fall within the description of licensable activity. Of the initial 1,217 contractors identified, 18 were forwarded to our inspectors for investigation by the end of the year.

In the summer of 2019, PSA inspectors undertook several announced and unannounced inspections of events, including Electric Picnic, Longitude Festival, Forever Young Festival and the National Ploughing Championships, to ensure compliance by Event Security contractors of licensing requirements. The inspections identified several areas of non-conformance with the PSA standard, PSA 39:2014. Following on from the inspections, all Event Security contractors were invited to attend a forum with the PSA in September.

Buyers of Security

Ensuring that buyers of security services 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 281 buyer cases in 2019 with the vast majority of buyers found to be compliant with the licensing regulations. 6 cases (2018: 13) of unlicensed services were discovered which resulted in the contracts of unlicensed providers being terminated.

By the time the contracts of our external inspectors expired in March they had visited 257 business premises across the country checking compliance with licensing requirements and helping to spread the PSA message to the business community. A new contract for services will begin in 2020.

We also engaged the services of two licensed private investigators during the year to help identify unlicensed contractors operating online and through social media.

Individual Compliance

In 2019, 1,030 unannounced compliance inspections on licensed premises, retail outlets and a range of other businesses were carried out 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. 98.5% of those encountered were licensed and found to be wearing their ID badge.

Details	Door Supervisor	Security Guard	Overall
Inspection Locations	65	70	135
Premises Visited	510	520	1,030
Premises with Security	341	336	677
Of which - - Contractors	142	254	396
- - In-house	198	83	281
- - Combination	7	14	21
Security Staff Encountered	1,081	642	1,723
ID Badge Compliance	98%	99%	98.5%

Table 5 Details of Individual inspections for 2019

Compliance Actions

Our legislation provides us with a range of actions which we can take against licence holders who breach the licensing regulations, including prosecution, revocation or suspension of licence or the issuing of an enforcement notice. In 2019, we brought 2 prosecutions before the courts and these will be concluded in 2020. In addition, 11 contractors and 14 individuals had their licence revoked while 1 contractor and 1 individual had their licence suspended for a period. A further 39 enforcement notices issued to licence holders in the year.

Section 39 of the Private Security Services Act provides a mechanism by which a person may make a formal complaint against a licence holder. In 2019, 13 such complaints were received. In 5 cases, the complaint was not upheld by the PSA and in one case, the complaint was upheld. There were 2 cases still under enquiry at year end.

Action	2018	2019
Advice	6	1
Caution	5	5
Warning	18	30
Reprimand	1	3
Suspension	10	2
Revocation	36	25
Prosecution	2	2

Table 6 Summary of Enforcement Actions taken in 2019





Goal 3:

Raising the levels of standards and qualifications in our industry.

Standards

Our legislation requires us to specify the standards and qualifications to be met by applicants for licences and licence holders. As well as the development of new standards and qualifications we also review the existing ones to ensure that they meet the needs of the regulatory environment. In September, we introduced a new edition of the Phase 1 Requirements Document for the licensing of Contractors in the Door Supervisor (Event Security), Door Supervisor (Licensed Premises), Security Guard (Event Security) and Security Guard (Static) sectors, PSA 31:2019. This replaced the 2014 edition of the document. The document sets out the requirement for new contractors entering these sectors for the first time.

Following a review of SR40:2006, the quality control standard for the electronic security sectors, the document was replaced by a new PSA standard, PSA 74:2019, in October.

Work on the new technical standard for the Access Control sector was completed in December and it is planned to publish the standard in early 2020. A public consultation on a technical standard for the installation and maintenance of powered gates commenced in June and a review of the document is currently ongoing.

During the year we also established a working group to consider the requirements for the licensing of the Security Consultant sector. It is hoped to licence contractors in this sector during 2020.

Training

Following a public consultation on the licensing of individuals in the Event Security sector in 2018, the critical date for licensing, 1st March 2020, was announced in September. The working group looking at the training requirements for individuals working in the Private Investigator sector has completed its work and it is expected that licensing will be introduced during 2020. A working group was also established to look into the development of a traineeship for Locksmiths.

We undertook a number of inspections of training providers during the year to ensure compliance with the PSA Requirements document for Training Providers (TP1:2018). Our relationship with the training providers has strengthened considerably since we established the Training Providers Forum in 2016.

Goal 4:

Promoting the benefits of our industry.

Communication with our licence holders, industry stakeholders, their clients and the wider public is important to us. We ran a range of public information campaigns across radio, newspapers and trade magazines focusing attention on areas where we identified a need for engagement. We attended a number of expos, some industry focussed such as ISEC2019 and SecurityTwenty19, others had a wider audience such as the Mallow Home and Garden Festival.

We started the process of establishing consultation forums for the various sectors that we licence. The National Monitoring Centre Forum has been recognised as the consultation forum for monitoring while a meeting of Event Security contractors in September has been established as the Event Security Forum which will meet on a regular basis. It is planned to establish further forums in 2020.

We published 6 editions of our e-zine “PSA Watch” during the year. The e-zine continues to be an effective way for providing information on key events, important updates and significant industry announcements to interested parties.

In 2019 we conducted two surveys through Amárach Research. The first was a survey of our contractor licence holders seeking their views on regulation and the private security industry. The second, aimed at the general public, sought to gauge the public’s awareness of regulation in the private security industry and recognition of the PSA as the industry regulator. The survey results will be published with our Annual Report and will feed into our business plans for 2020.

Goal 5:

Supporting our staff and enhancing our organisation

We value our staff and are committed to supporting their development and wellbeing. Without them, we would not have achieved the regulatory environment currently in place. Staff participated in a range of training courses, seminars and wellbeing events during the year and we will continue to invest in their development. During the year, our workforce increased from 45 (FTE¹ 41.1) to 50 (FTE 45.82) in response to increased work volumes and resources required for the Strategic Plan.

One of the biggest transformations in our organisation was the outsourcing of the phone answering service in December 2018. The benefits of this have been enormous, calls are now being answered promptly and dealt with appropriately while at the same time our staff have been able to focus on application processing and licensing. The benefits for both customers and the PSA have been worthwhile.

As part of a wider Public Service initiative, we hosted an Innovation Week in November where staff were asked to give their input and suggest changes to help us improve the way we work and the service we provide. A wide range of suggestions were received including improving our procedures, better use of technology, how we interact with our customers, our building, health and wellness and others. An implementation group comprising of staff and management has been established to progress the suggestions.

¹FTE = Full time equivalent which takes account of staff on different worksharing patterns.

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 of the Board (ARC) met five times in 2019. 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 Department of Justice and Equality’s Internal Audit Unit provide internal audit services to the Authority. The work programme is agreed between the Unit, the 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 Audit and Risk Committee 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 2019, additional control measures included an internal review audit of compliance with GDPR requirements within the PSA.

Procurement

During 2019, 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 2019 was completed by the Audit and Risk Committee in 2020. In addition, following a tender process in 2019, Board Excellence was appointed to carry out an external evaluation of the Board and presented their results to the Board at the November meeting. The Board's Evaluation of performance for 2019 was signed by the Chairman of the Board at the 25th May 2020 Board meeting.

Internal Control Issues

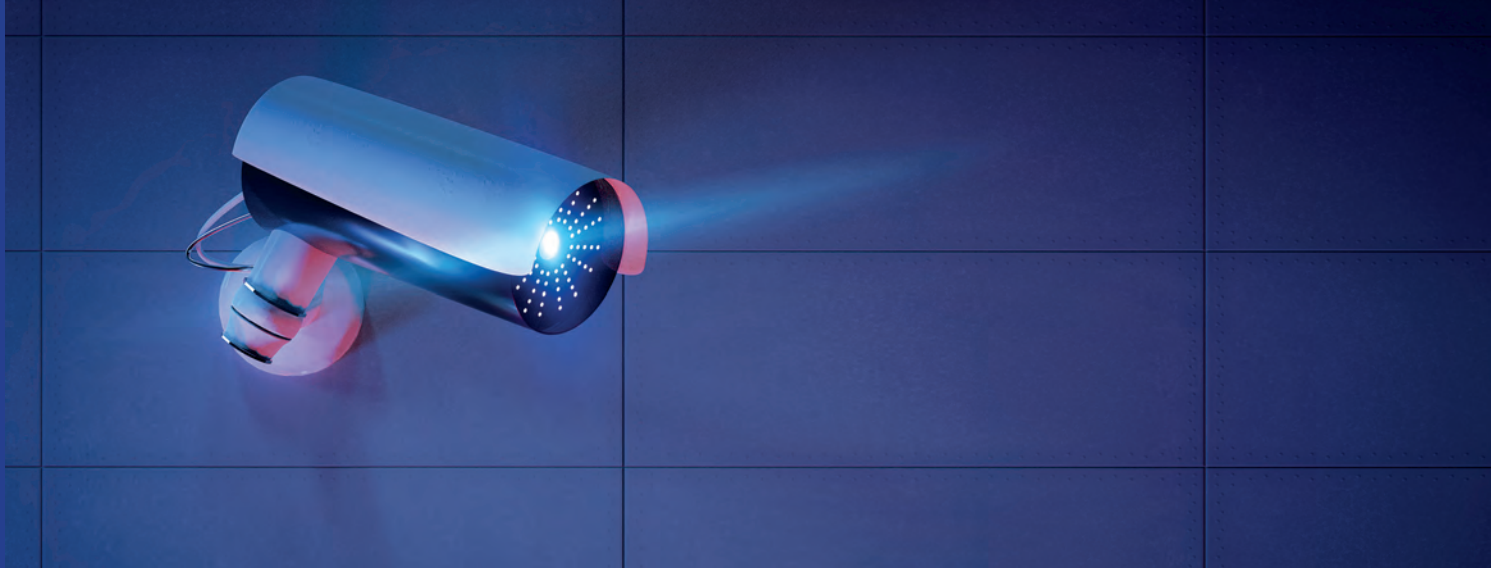
No weaknesses in internal control were identified in relation to 2019 that require disclosure in the financial statements. The Board have considered the Risk Register at its November 2019 meeting and there are no internal control issues on which to report.

During the year the Department of Justice and Equality's Internal Audit Unit and the Comptroller and Auditor General both conducted audits of the Authority. A summary of their findings and recommendations together with the management statement and current status is contained on the following pages. Only one item was not closed at the end of the year. This relates to the recommendation of the Office of the Comptroller and Auditor General that licences issued in any period are reconciled to the income in the period. The implementation of this recommendation requires substantial work to our financial and I.T. systems. We are currently progressing this recommendation with the Department.

Noel Lappin
Chairman
25th May 2020

Recommendations and Management Comments from the 2019 Internal Audit Report (IAU) and Comptroller and Auditor General's Report (CAG) with status at 31 December 2019

	Recommendation	Management Comment	Current Status
IAU1	Where staff welfare payments are made from petty cash a brief background note and authorisation should be attached to the receipt held.	Internal procedures and manuals have been updated.	Closed
IAU2	All staff especially T&S claim approvers should be made aware of the mileage rules in relation to travel for training courses.	All PSA staff were notified of the Civil Service mileage rates on 14th August 2019.	Closed
IAU3	An audit of GDPR compliance should be carried out in late 2019 or early 2020.	A data protection audit was conducted by the Data Protection Commission (DPC) in 2018. The PSA aims to conduct independent data protection audits once in a 3 year cycle. The next audit will take place before the end of 2021. An Internal review of GDPR compliance and procedures was also undertaken in October 2019.	Closed
IAU4	The Health and Safety statement and procedures should be updated and implemented in 2019.	A review of the PSA's Health & Safety Statement and procedures were completed in November 2019.	Closed
C&AG1	The PSA is not in compliance with its governing legislation in seeking and receiving approval for the format of its accounts. The Authority should take steps to obtain it as directed by the legislation.	Confirmation was received from the Department on 4/11/19 conveying consent for the format of the accounts on behalf of the Minister.	Closed
C&AG2	The PSA liaises with the DJE to arrange to make payment of licence fees collected in the month of December to the DJE prior to year-end. It is accepted that due to administrative arrangements in both bodies that this may not allow for all monies to be remitted but It should allow for the majority of the monies to be remitted prior to year-end.	New procedures in place within the PSA. As directed, the final lodgement to DJE will be made mid December 2019.	Closed
C&AG3	The total number of licences issued does not reconcile with the licence fee income. The PSA should continue to seek opportunities to achieve the reconciliation as it is a high level control that ensures that the PSA receives all monies due to it for licences issued on its behalf.	The PSA are in consultation with the Departments IM&T Division regarding the development of a payments reconciliation system. When completed, the new system should be able to provide more detailed reports on payment data.	In progress



OUR FINANCIAL STATEMENTS

Financial Statements

Private Security Authority

For the year ended 31 December 2019

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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 2019 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 2019 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 properly presents of the financial performance and the financial position of the PSA at 31st December 2019.



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 2019 is as follows;

Noel Lappin	Chairman
Padraic Cafferty	Employers Representative
Eilish McCormack	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
David Smith	Representative of the Minister for Education and Skills
Christy Waters	Employee Representative

The Board met on 5 occasions in 2019. The table below summarises the attendance at these meetings:

NAME	28/01/19	25/03/19	27/05/19	23/09/19	25/11/19
Noel Lappin	√	√	√	√	√
Padraic Cafferty	√	√	√	√	√
Eilish McCormack	√	√	√	√	√
Alan Durnan	√	√	√	√	√
John Garry	√	√	χ	√	√
Sean Heading	χ	√	√	√	√
Geraldine Kelly	√	√	√	χ	√
A/Comm John O'Driscoll	χ	√	χ	√	χ
Richard O'Farrell	χ	√	√	√	√
Christy Walters	√	√	√	√	√
David Smith	χ	χ	χ	√	√

Audit and Risk Committee

The Audit and Risk Committee met on 5 occasions in 2019 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 €58,140 were paid to board members in 2019 (2018: €63,911) as follows:

Board Member	2019 €	2018 €
Noel Lappin	11,970.00	11,970.00
Padraic Cafferty	7,695.00	7,695.00
Alan Durnan	7,695.00	9,618.75
Sean Heading	7,695.00	9,618.75
Geraldine Kelly	7,695.00	7,695.00
Richard O'Farrell	7,695.00	9,618.75
Christy Waters	7,695.00	7,695.00
Eilish McCormack	--	N/A
David Smith	--	N/A
John O'Driscoll	--	--
John Garry	--	--
Bryan Redmond	N/A	--
Siobhan Cleary	N/A	--

N/A not a member of the Board in that year.

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	2019	2018
€60,000	- €69,999	3	4
€70,000	- €79,999	2	2
€80,000	- €89,999	1	0
€90,000	- €99,999	0	1
€100,000	- €110,000	1	0

	2019	2018
	€	€
Consultancy Costs		
- Consultancy services	94,061	67,593
- Public relations/marketing	223,807	204,729
- Other	30,399	24,226
Legal Costs		
- Legal fees	13,346	30,924
- Legal advice	11,471	17,585
Hospitality		
- Hospitality	920	1,755
Travel and Subsistence Expenditure		
- Board Members Domestic Travel	2,348	2,532
- Board Members International Travel	Nil	Nil
- Employees Domestic Travel	101,657	82,677
- Employees International Travel	6,520	4,170
CEO Salary/Travel and Subsistence		
- Salary	101,498	99,458
- Travel/Subsistence	7,872	8,726

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.

Mr. Paul Scallan
Chief Executive:



Date: 25th May 2020

Mr. Noel Lappin
Chairperson:



Date: 25th May 2020





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 5 times in 2019. 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 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,
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- 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,
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- 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 2019, additional control measures included an internal review audit of compliance with GDPR requirements within the PSA.

Procurement

During 2019 the PSA complied with current procurement rules and guidelines and adhered to the Department of Justice and Equality guidelines on the payment of invoices.

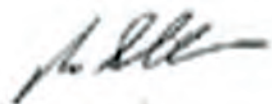
Review of Effectiveness

The current Board of the PSA was appointed in November 2017. The 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 2019 was completed by the Audit and Risk Committee in 2020. In addition, following a tender process in 2019, Board Excellence were appointed to carry out an external evaluation of the Board and presented their results to the Board at the November meeting. The Board's Evaluation of performance for 2019 was signed by the Chairman of the Board at the 25th May 2020 Board meeting.

Internal Control Issues

No weaknesses in internal control were identified in relation to 2019 that require disclosure in the financial statements.

Mr. Paul Scallan
Chief Executive:



Date: 25th May 2020

Mr. Noel Lappin
Chairperson:



Date: 25th May 2020

STATEMENT OF INCOME AND EXPENDITURE AND RETAINED REVENUE RESERVES FOR THE YEAR ENDED 31 DECEMBER 2019

	Notes	€	2019 €	2018 €
INCOME				
Oireachtas Grant	2		3,324,885	2,697,417
Licence Fees	3		3,288,779	2,468,967
Inspectorate	16		1,854	1,475
			<u>6,615,518</u>	<u>5,167,859</u>
Transfer from/(to) Capital Account	9		<u>(31,390)</u>	<u>58,494</u>
			<u>6,584,128</u>	<u>5,226,353</u>
EXPENDITURE				
Staff Costs	4	2,324,693		2,053,429
Administration	5	<u>969,887</u>		<u>703,195</u>
Total Expenditure		<u>3,294,580</u>		<u>2,756,624</u>
Surplus for the year before remittances			3,289,548	2,469,729
Remitted to the Department of Justice and Equality	3		(3,445,654)	(2,418,245)
Surplus/(Deficit) for the year			(156,106)	51,484
Surplus brought forward			208,694	157,210
Surplus at 31 December			<u>52,588</u>	<u>208,694</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: 25th May 2020

Mr. Noel Lappin
Chairperson:




Date: 25th May 2020

STATEMENT OF FINANCIAL POSITION AS AT 31 DECEMBER 2019

	Notes	€	2019 €	€	2018 €
TANGIBLE ASSETS					
Property, plant and equipment	6		212,061		180,671
CURRENT ASSETS					
Receivables	7	9,385		9,211	
Bank and cash		54,225		209,940	
Inventory		<u>5,290</u>		<u>5,155</u>	
			<u>68,900</u>		<u>224,306</u>
CURRENT LIABILITIES					
Payables	8		<u>16,312</u>		<u>15,612</u>
NET CURRENT ASSETS					
			<u>52,588</u>		<u>208,694</u>
TOTAL NET ASSETS					
			<u><u>264,649</u></u>		<u><u>389,365</u></u>
LONG TERM LIABILITIES					
Capital Account	9		212,061		180,671
Income and Expenditure and Retained Earnings			<u>52,588</u>		<u>208,694</u>
			<u><u>264,649</u></u>		<u><u>389,365</u></u>

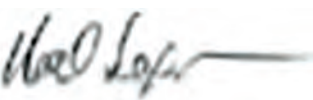
The statement of cash flows and notes 1 to 17 form an integral part of these financial statements

Mr. Paul Scallan
Chief Executive:



Date: 25th May 2020

Mr. Noel Lappin
Chairperson:



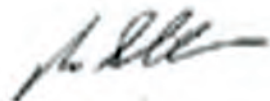
Date: 25th May 2020

STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 31 DECEMBER 2019

	2019	2018
	€	€
Cash flows from operating activities		
Operating surplus/(deficit) for year	(156,106)	51,484
Depreciation of Tangible Assets	59,052	58,494
Transfer to Capital Account	31,390	(58,494)
Decrease/(Increase) in Inventory	(135)	623
(Increase)/Decrease in Receivables	(174)	(809)
Increase /(Decrease) in Payables	<u>700</u>	<u>0</u>
Net cash inflow from operating activities	(65,273)	51,298
Cash flows from investing activities		
Payments to acquire property, plant and equipment	(90,442)	(0)
Increase/(Decrease) in cash and cash equivalents	<u>(155,715)</u>	<u>51,298</u>
STATEMENT OF CHANGES IN NET FUNDS		
	2019	2018
	€	€
Net funds at 1 January	209,940	158,642
Net funds at 31 December	<u>54,225</u>	<u>209,9405</u>
Increase/(Decrease) in Cash	<u>(155,715)</u>	<u>51,298</u>

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

Mr. Paul Scallan
Chief Executive:



Date: 25th May 2020

Mr. Noel Lappin
Chairperson:



Date: 25th May 2020

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2019

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.

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 and in the form approved by the Minister for Justice and Equality

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 on a monthly basis. 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%

2. OIREACHTAS GRANT

Sub-Head B16 of Vote 24 – Justice and Equality
- for pay and general administration costs

2019	2018
€	€
3,324,885	2,697,417

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

	2019	2018
	€	€
Licence fees received in prior period due to be remitted as at start of year	209,881	158,603
Bank charges in the year	(772)	(919)
Licence fee income in the year	3,288,779	2,468,967
Inspectorate Income	1,854	1,475
Remitted to the Department of Justice and Equality	3,445,654	2,418,245
Amount due to be remitted at end of year	54,088	209,881

4. STAFF COSTS

	2019	2018
	€	€
Salaries and wages	2,214,169	1,964,049
Travel and subsistence - national	104,004	85,210
Travel and subsistence - international	6,520	4,170
	2,324,693	2,053,429

The Authority employed 50 staff at 31 December 2019 (2018: 45).

5. ADMINISTRATION

Consultancy Costs

	2019	2018
	€	€
Consultancy services	94,061	67,593
Legal advice	11,471	17,585
Audit fee	11,700	11,000
Accountancy fee	4,612	4,612
Public Relations / Marketing	223,807	204,729
Other	30,399	24,226

General

Office expenses	85,095	76,775
Authority members' fees	58,140	63,911
Communications costs	157,316	60,177
Licensing costs	68,013	55,623
Depreciation	59,052	58,494
Repairs & maintenance	16,294	4,357
External Inspectors	5,700	8,400
Other IT costs	127,492	1,668

Legal Costs

Legal fees	13,346	30,924
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Hospitality

Hospitality	920	1,755
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Appeals Board

	2,469	11,366
	<u>969,887</u>	<u>703,195</u>

6. PROPERTY, PLANT AND EQUIPMENT

	Furniture & Fittings	IT Equipment	Online Renewal System	Office Equipment	Total
	€	€	€	€	€
COST					
At 1 January	799	504,059	306,540	30,919	842,317
Additions	-	190	86,365	3,887	90,442
At 31 December	799	504,249	392,905	34,806	932,759
ACCUMULATED DEPRECIATION					
At 1 January	799	500,027	129,901	30,919	661,646
Charge for year	-	4,070	54,917	65	59,052
At 31 December	799	504,097	184,818	30,984	720,698
NET BOOK VALUE					
At 31 December	0	152	208,087	3,822	212,061
At 1 January	0	4,031	176,639	0	180,671

7. RECEIVABLES

	2019 €	2018 €
Prepayments	9,385	9,211
	<u> </u>	<u> </u>

8. PAYABLES

	2019 €	2018 €
Audit fee	11,700	11,000
Accountancy fee	4,612	4,612
	<u> </u>	<u> </u>
	16,312	15,612
	<u> </u>	<u> </u>

9. CAPITAL ACCOUNT

	€	2019 €	€	2018 €
Opening Balance		180,671		239,165
Additions	90,442		-	
Amortisation	(59,052)		(58,494)	
		<u> </u>		<u> </u>
Transfer from/(to)Statement of Income and Expenditure		31,390		(58,494)
		<u> </u>		<u> </u>
Balance as at 31 December		212,061		180,671

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 €66,337 in 2019 (2018: €66,402).

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 2019 was made up of an annual basic salary of €101,498 (2018: €99,458). In addition the Chief Executive received €7,872 in respect of travel and subsistence expenses in 2019 (2018: €8,726) 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 2019.

16. INSPECTORATE FEES

Inspectorate fees consist of fines for non-compliance with the Authority's regulations and amounted to €1,854 in 2019 (2018: €1,475). These fees are accounted for in licence fee income.

17. APPROVAL OF FINANCIAL STATEMENTS

These accounts were approved by the Authority on 25th May 2020.



Appendices

Appendix 1 - Statistical Reports

Report 1 - Number of Individual Licences Issued at 31 st December 2019 By County and Gender							
County	Door Supervisor	Security Guard	Cash-in-Transit	Mon	Total	Male	Female
Carlow	148	247	9	48	452	415	37
Cavan	155	281	5	17	458	433	25
Clare	239	367	13	2	621	572	49
Cork	1,304	2,246	51	41	3,642	3,384	258
Donegal	317	297	1	0	615	569	46
Dublin	4,239	11,783	717	101	16,840	15,743	1,097
Galway	889	1,217	41	13	2,160	2,029	131
Kerry	422	509	2	0	933	877	56
Kildare	1,317	1,332	78	35	2,762	2,604	158
Kilkenny	150	233	3	5	391	367	24
Laois	271	489	21	6	787	739	48
Leitrim	89	104	2	2	197	185	12
Limerick	585	1,197	107	6	1,895	1,773	122
Longford	179	304	3	0	486	455	31
Louth	427	788	20	11	1,246	1,181	65
Mayo	311	410	4	0	725	678	47
Meath	402	907	51	1	1,361	1,274	87
Monaghan	131	183	11	0	325	303	22
Offaly	193	341	7	0	541	513	28
Roscommon	145	249	4	0	398	362	36
Sligo	172	241	29	0	442	415	27
Tipperary	327	597	10	8	942	882	60
Waterford	396	822	36	0	1,254	1,180	74
Westmeath	271	551	6	3	831	782	49
Wexford	362	559	10	24	955	893	62
Wicklow	244	581	32	26	883	826	57
Northern Ireland	71	78	19	121	289	260	29
GB (excl NI)	3	7	0	87	97	78	19
Other	0	1	0	26	27	9	18
Totals	13,759	26,921	1,292	583	42,555	39,781	2,774
% of Total	32.3%	63.3%	3.0%	1.4%	100%	93.5%	6.5%

Legend

Mon - Monitoring Centre Licence

Appendix 2 - Statistical Reports

Report 2 - Number of Contractor Licences Issued at 31 st December 2019 By County											
County	DSE	DSP	LK	PI	SGAM	SGCCTV	SGE	SGS	IES	CIT	Total
Carlow	0	1	6	0	1	1	0	2	16	0	27
Cavan	0	0	1	1	1	1	0	1	21	0	26
Clare	0	0	4	1	0	0	0	2	17	0	24
Cork	3	3	19	7	4	4	3	10	97	0	150
Donegal	1	1	5	2	0	0	1	3	14	0	27
Dublin	14	20	72	39	9	6	19	78	288	3	548
Galway	1	3	11	6	1	1	2	9	61	0	95
Kerry	0	0	7	1	0	0	1	5	26	0	40
Kildare	2	3	13	7	1	1	3	11	61	0	102
Kilkenny	1	1	5	0	0	0	1	4	16	0	28
Laois	1	1	2	2	0	0	1	2	17	0	26
Leitrim	0	0	0	0	0	0	0	0	5	0	5
Limerick	0	0	3	2	1	1	0	4	43	0	54
Longford	1	0	0	1	0	0	1	3	10	0	16
Louth	1	1	6	0	0	0	1	5	35	0	49
Mayo	1	1	5	3	0	0	1	1	13	0	25
Meath	2	2	12	5	0	0	1	9	53	0	84
Monaghan	1	2	2	1	0	0	1	2	13	0	22
Offaly	0	0	5	0	0	0	0	0	13	0	18
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	7	39	0	58
Waterford	1	1	6	2	0	0	2	6	17	1	36
Westmeath	2	2	3	8	0	0	2	3	17	0	37
Wexford	2	2	10	1	1	1	2	4	21	0	44
Wicklow	0	1	7	4	1	1	0	5	41	0	60
Northern Ireland	1	1	5	5	5	6	1	3	36	0	63
GB (excl NI)	2	1	1	6	9	6	2	2	7	0	36
Totals	38	48	220	108	34	29	47	184	1,017	4	1,729
% of Total	2.2%	2.8%	12.7%	6.2%	2.0%	1.7%	2.7%	10.6%	58.8%	<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

Appendix 3 - Energy Report

In 2019, 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 energy usage for the office for 2019 is as follows:

PSA Building	
Non-Electrical (oil)	Electrical
84,284 kWh	48,347 kWh

This reflects a 6.6% reduction in energy usage from our 2018 performance. The reduction is a result of a number of measures implemented by the PSA Energy Team:

- Review of heating usage carried out in conjunction with our energy advisor reduced our required heating hours.
- Staff awareness and training. Signs throughout the building remind staff to conserve electricity and be mindful of our usage. Training was provided by our energy advisor to staff to increase awareness and conservation.

The PSA also ceased the purchases of single use plastics in 2019 and has placed an extra emphasis on recycling through the provision of extra segregated bins and awareness material.

The PSA participates in the SEAI online system for the purpose of reporting its energy usage in compliance with the European Communities (Energy End-use Efficiency and Energy Services) Regulations 2009 (S.I. No 542 of 2009).

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