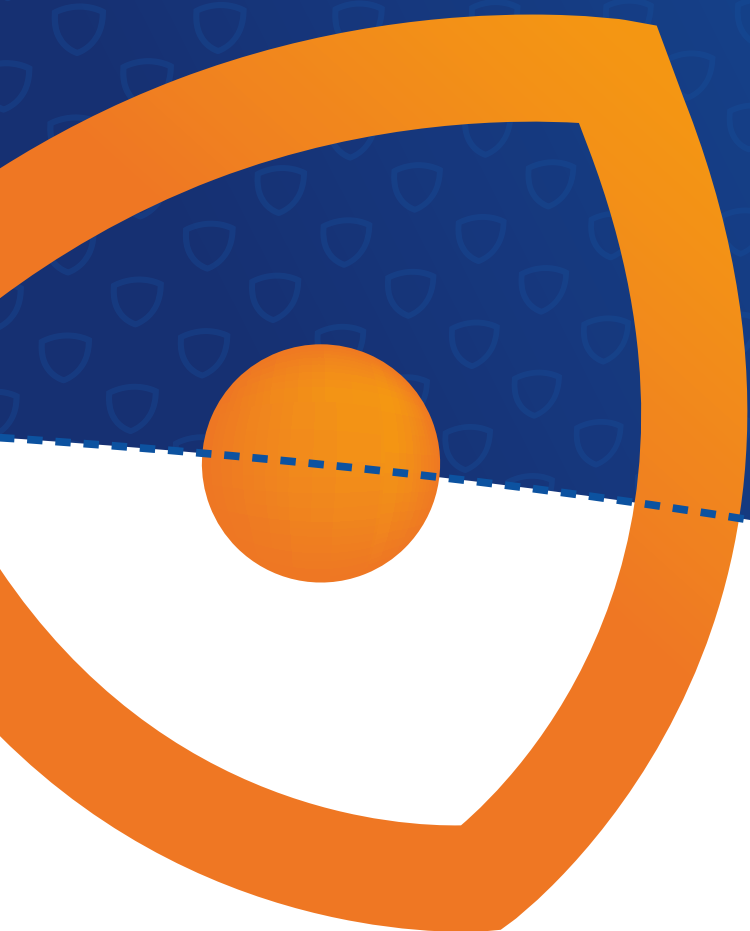




An tÚdarás Slándála Príobháidí
The Private Security Authority

Annual Report 2017



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 present the 2017 Annual Report of the Private Security Authority, which highlights our performance over the year. This was a pivotal year for the Authority with the departure of our outgoing Board in June and the appointment of the new Board in November. One of the key tasks for the new Board will be the development of a Strategic Plan, which will shape the direction of the Authority over the coming years.



Mr. Paul Scallan

Our focus during 2017 was to continue to expand and strengthen the regulatory environment. The licensing of Locksmiths took place in February and we completed the preparations for the licensing of individuals working in Monitoring Centres. We expanded our online services with the launch of a renewal system for contractors and are planning new services, which will simplify the regulatory process for our licence holders. Our inspection teams visited all parts of the country and there was a strong focus on checking compliance with the new Employment Regulation Order. Work on a new Access Control standard continued and we reviewed the quality management standard for the Cash-in-Transit sector. A working group to consider the training requirements for Private Investigators was established and preparatory work on the licensing of Security Consultants commenced.

Looking ahead to 2018, the new Strategic Plan will set the business priorities for the year and will play a major role in setting our agenda. The licensing of individuals working in Monitoring Centres will take place in June and we will aim to set the licensing timeframe for other sectors including individuals in Event Security and contractors in the Security Consultant sector. To support the Strategic Plan we will be seeking an investment in the resources for regulation. Without this investment the Authority will find it difficult to complete our statutory mandate as set out in the Plan.

We continued to build on our relationships with the security industry and those who interact with it. Our engagement with stakeholders, helps to increase our understanding of the environment that we regulate. In 2018, we will establish a number of formal structures, which will provide a channel for the industry to consult and influence our business planning.

We would like to thank all those who contributed to our work during the year, The Minister for Justice and Equality and his Department, our Board members, past and present, who form the strategic direction of the Authority, our staff whose dedication to their role is commendable and all those who in some form or another have contributed to our work in 2017.

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

In February, we extended licensing to contractors in the Locksmith sector and by the end of the year, 162 Locksmith licences had issued. This leaves two groups of contractors to be licensed, Security Consultants and Suppliers and Installers of Safes. Work on the licensing of both groups will commence during 2018. We completed preparatory work on the licensing of individuals in Monitoring Centres and licensing of this sector will take place in the first half of 2018. A working group was established to consider the licensing requirements for employees in the Event Security sector with the aim of introducing licensing towards the end of 2018.

The development and improvement of standards and qualifications in the provision of security services is a key element of the licensing regime. Following a public consultation on technical requirements for the Access Control sector, a working group was established to develop a new Access Control standard. Work on the training

requirements for employees in the Private Investigator sector also commenced during the year with the aim of announcing a timeframe for licensing during 2018.

Our inspection teams continued to monitor compliance with licensing requirements across the country. This year there was a strong focus on compliance with the new Employment Regulation Order for the Security Guarding sector, which came into effect in June. We also undertook a number of inspections of UK based licence holders.

Informing the public and clients of the security industry about regulation is a central part of our mission. We increased our use of radio advertising following positive feedback from the public and industry to previous radio campaigns. We also continued to attend expos, which cater for our targeted audience.

2017 The Security Industry at a Glance

Sector	Individuals	Contractors	Turnover (€)
Door Supervisor (Event Security)	N/A	43	3,469,434
Door Supervisor (Licensed Premises)	11,653	49	11,340,461
Locksmith	N/A	162	19,770,759
Private Investigator	N/A	110	10,590,933
Security Guard (Monitoring)	N/A	37	52,474,874
Security Guard (Event Security)	N/A	49	4,916,902
Security Guard (Static)	23,860	192	343,173,537
Electronic Security Sector	N/A	930	210,858,581
Cash In Transit	1,034	6	53,559,078
Total *	36,547	1,578	710,154,559

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

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.

The Mission of the Private Security Authority is:

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

Our Vision is one in which:

Consumers' interests will be protected by a licensed and vetted 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

These are the Values we follow when conducting our business:

- Working in partnership with the Industry and other relevant stakeholders to develop a regulatory framework from which service providers 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 PSA's remit.
- Providing a safer environment for the general public by ensuring that the potential for criminality within the industry is eliminated.



Padraic Cafferty Board Member, Paul Scallan CEO and staff at the ISEC Expo in April

Board of the Authority

Noel Lappin	Chairman
Padraic Cafferty	Employers Representative
Siobhán Carew	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 Corporate Affairs
Colm Hassett	Head of Individual Licensing
Colin Murphy	Head of Qualifications and Standards

*** Chief Executive also acts as Head of Contractor Licensing**

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. 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 term of the Board of the PSA ended during 2017 and the previous Board met on 3 occasions during the year, the table below summarises the attendance at these meetings:

NAME	30/01/2017	27/03/2017	29/05/2017
Noel Lappin	√	√	√
Ann Reid	√	√	√
Padraic Cafferty	√	√	√
Freda O'Dowd	X	√	√
Arthur Hall	x	x	x
John O'Driscoll	√	√	x
Christy Waters	√	X	√
Helen Curley	√	√	√
Mary Rose Kinane	√	√	√
Marion Walsh	√	√	√
Geraldine Kelly	√	√	√

A new board was appointed by the Minister for Justice and Equality on the 9th November 2017, their first meeting was held on 4th December and was attended by all members. The list of current Board members is on page 10 of this report.

The outgoing Audit Committee met with officials from the C&AGs Office on 1 occasion during the year and with the PSA's accountant in May. The Committee submitted the following reports to the Board:

- New Code of Governance
- Meeting with C&AG and the C&AG Audit
- The Department's Internal Audit Unit Report 2017
- Audit and Risk Committee Work Program to July 2017
- Audit and Risk Committee Annual Report from 01 September to 29 May 2017

In December 2017, a new Audit and Risk Committee was appointed.

2017 at a Glance

1,323 Contractors Licensed
At Years End
(2016: 1,157)

28,648 Individuals Licensed
At Years End
(2016: 27,544)

Locksmith Licensing
Commenced

€3,140,385
Income from Fees
(2016: €3,260,198)

Introduced Online
Renewal System
For Contractors

962 Enforcement Cases
(2016: 1,068)

14,574 Applications
Processed
(2016: 16,673)

41 Staff
(2016: 40)

Strategic Plan 2014 To 2017

The PSA's third strategic plan for the period 2014 to 2017 came to end in July 2017 with the expiry of the term of office of the previous Board. The Plan set out the strategic direction for the PSA during that period and achievements included;

- Extension of licensing to contractors in the Alarm and CCTV Monitoring Centre, Event Security, Locksmith and Private Investigator sectors.
- Reduction in licence fees for contractors.
- Move from a 2 year to a 3 year licence for individuals resulting in a reduced licence fee for applicants.
- The development of online application systems.
- Increased public information and awareness.

The key goals set out in the Strategic Plan were:

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

Goal 2: Ensuring compliance with licensing requirements.

Goal 3: Raising standards within the industry.

Goal 4: Improve quality and frequency of communications.

Goal 5: Development of Staff.

Goal 6: Optimise the role of PSA inspectors in certification oversight.

2017 at a Glance



Progress against Our Goals

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

Regulatory Progress

The licensing of Locksmiths in February saw further progress in our regulatory mandate. We have now reached 90% of our regulatory mandate in Business licensing and 87% in Individual licensing.

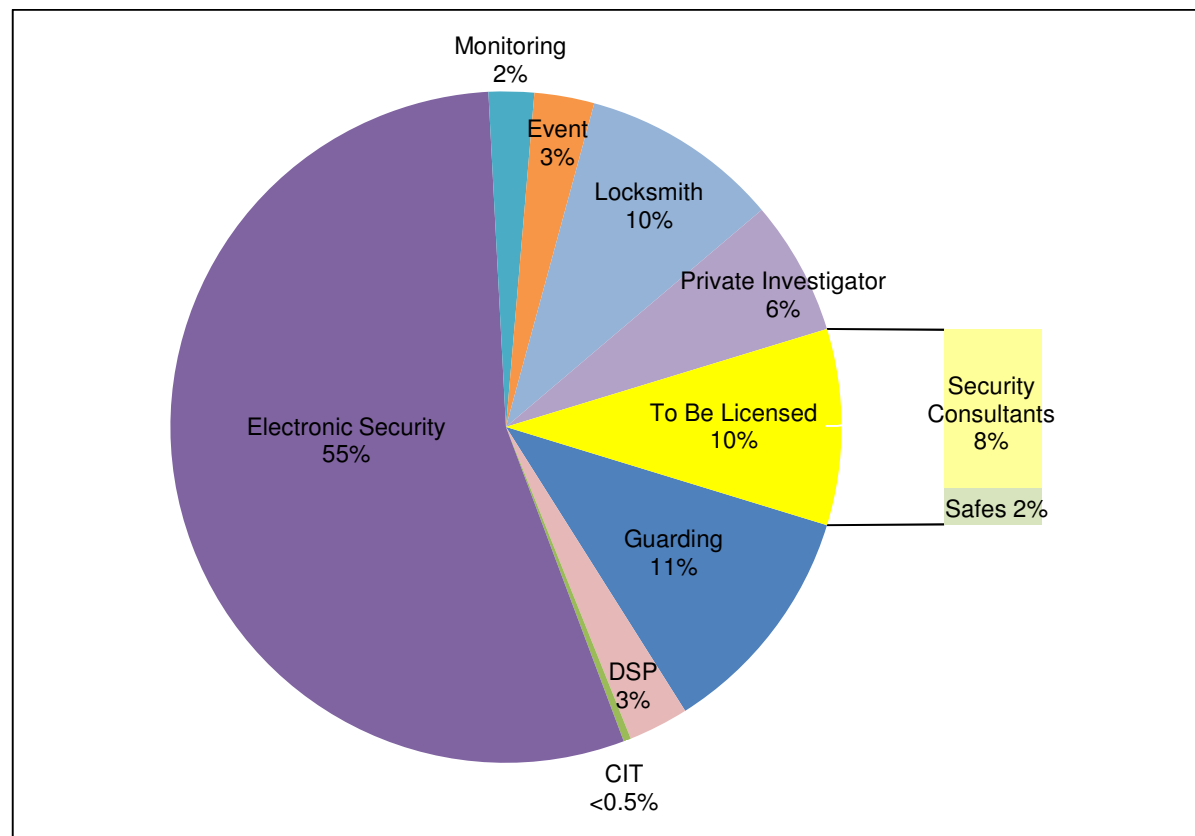


Figure 1 Overview of businesses in the industry showing those licensed/to be licensed

The Private Security Services Acts identify 8 security services, which are subject to regulation by the PSA as follows:

- 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

There are now two contractor sectors remaining to be licensed, Security Consultants and Suppliers and Installers of Safes. Work on developing a standard for both will begin in 2018. No new individual sectors were licensed during 2017 though much work was done on developing training requirements for the Alarm and CCTV Monitoring Centre and Event Security sectors. Both sectors are expected to be licensed during 2018.

We have already identified the Electronic Security sector as the next priority for individual licensing. Preparatory work on the training requirements for the sector was undertaken during the year, as was work on the development of training for the Private Investigator sector. It is envisaged that a timeframe for licensing for both sectors will be announced during 2018. The sectors remaining for individual licensing, Locksmiths, Safe Suppliers and Installers and Security Consultants are small representing less than 3% of the licensing population.

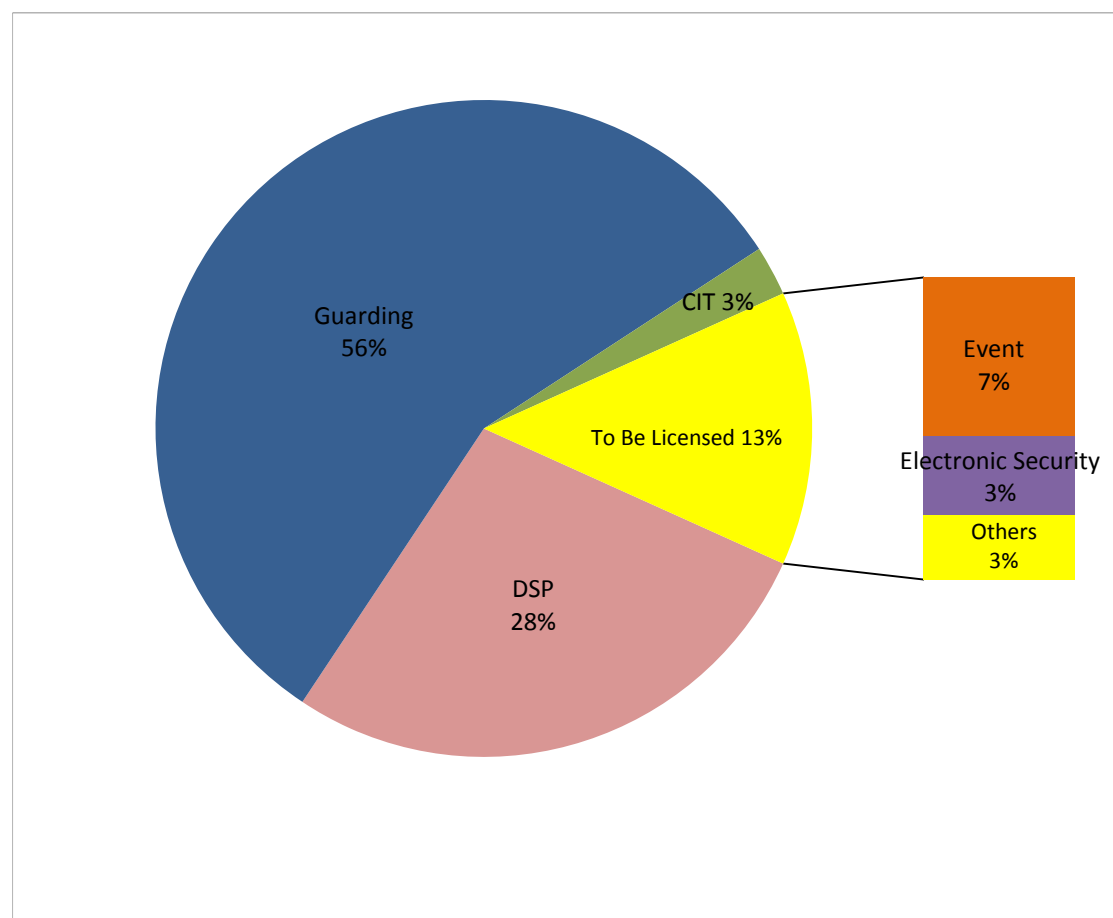


Figure 2 Overview of individuals in the industry showing those licensed/to be licensed

Progress Against Our Goals

Business Licensing

The number of licences in circulation at the end of the year was 1,606 up from 1,368 at the end of 2016. The introduction of licensing to the Locksmith sector resulted in the issuing of 162 licences. There was an increase of 123 in the Electronic Security sector licences during the year. The only other sector, which recorded an increase, was the Door Supervisor (Event Security) sector, up 2 on the 2016 figure. All the other sectors saw a drop in licence holders during the year. The reasons for the drop can be many, in the Private Investigator sector (down 21) it may be due to a lot of renewals falling due late in the year and not being renewed on time while in the Door Supervisor (Licensed Premises) and Security Guard (Static) sectors there has been a continuing decline in recent years. The total number of contractors holding licences increased from 1,157 at the start of the year to 1,323 on the 31st December 2016.

Table 1 Comparison of Number of Licences Issued for each sector in the years 2014 to 2017

	2014	2015	2016	2017
DOOR SUPERVISOR (LICENSED PREMISES)	64	55	52	43
DOOR SUPERVISOR (EVENT SECURITY)	27	44	47	49
LOCKSMITH	N/A	N/A	N/A	162
PRIVATE INVESTIGATOR	N/A	64	131	110
SECURITY GUARD (ALARM MONITORING)	39	39	40	36
SECURITY GUARD (CCTV MONITORING)	21	28	31	29
SECURITY GUARD (EVENT SECURITY)	31	51	55	49
SECURITY GUARD (STATIC)	214	202	199	192
INSTALLER ELECTRONIC SECURITY	666	733	807	930
CASH IN TRANSIT	7	7	6	6
TOTAL	1,069	1,223	1,368	1,606

827 contractor applications were received during the year comprising of 316 first time applications, 485 renewal applications and 26 applications to add a sector(s) to an existing licence.

Progress Against Our Goals

Licence Renewals

485 of the 527 contractors who were scheduled to renew their licence during the year had done so by the end of the year. The non-renewal rate at 8% showed an increase of 3% on 2016. This is due to the non-renewal of Private Investigator licences who went through their first renewal cycle in the last two months of 2017. All non-renewal cases are referred for compliance action and 2017 renewals will continue to be received during 2018.

Refusals and Rejections

We rejected 23 (3%) of all applications during 2017. 7 of these subsequently lodged valid applications. 22 applications were refused as the applicant failed to meet the requirements of licensing. There were 5 appeals of contractor decisions to the Private Security Appeal Board in 2017.

Private Security Appeal Board

The term of the previous Appeal Board expired in April 2016 and a new Board was appointed in May 2017. At the end of 2016 there were 5 appeals awaiting decision. A further 5 contractor appeals were lodged with the Appeal Board during 2017 bringing to 10 the number of appeals for determination. 9 of these were concluded by the end of year with the Appeal Board upholding the Authority's decision in 6 cases, overturning our decision in 2 and 1 appeal was withdrawn.

Temporary Licences

We received 79 new applications for temporary licences in 2017 down from 93 in 2016. In 2016, in response to industry concerns, we introduced new measures aimed at reducing the lifespan of Temporary Licences. This has proved quite successful with most applicants exiting the temporary licence system within 6 months. 83 contractors transferred from a temporary licence to a full licence during the year while 4 contractors were refused a full licence.

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 51 temporary licences in circulation.

Progress Against Our Goals

Licence Fees

Contractor licence fees for the year were €1,308,837 compared to €1,274,836 in 2016 and €1,000,750 in 2015 (the comparable year in the 2 year licence cycle). The increase can be attributed to two factors, the introduction of licensing to the Locksmith sector and the increasing turnover of contractors as a result of a growing economy, which results in contractors moving to a higher fees bands.

Table 2 Contactor Turnover recorded on licence applications 2014 to 2017

Year	Turnover
2014	€596,522,000
2015	€622,193,000
2016	€653,971,000
2017	€710,155,000

Table 2 above shows that the security industry continues to grow in line with the economic growth of the country. Even allowing for the inclusion of the two new sectors, Private Investigators (€10.5m) and Locksmiths (€20m), the underlying turnover of the licensed sectors continues to increase year on year.

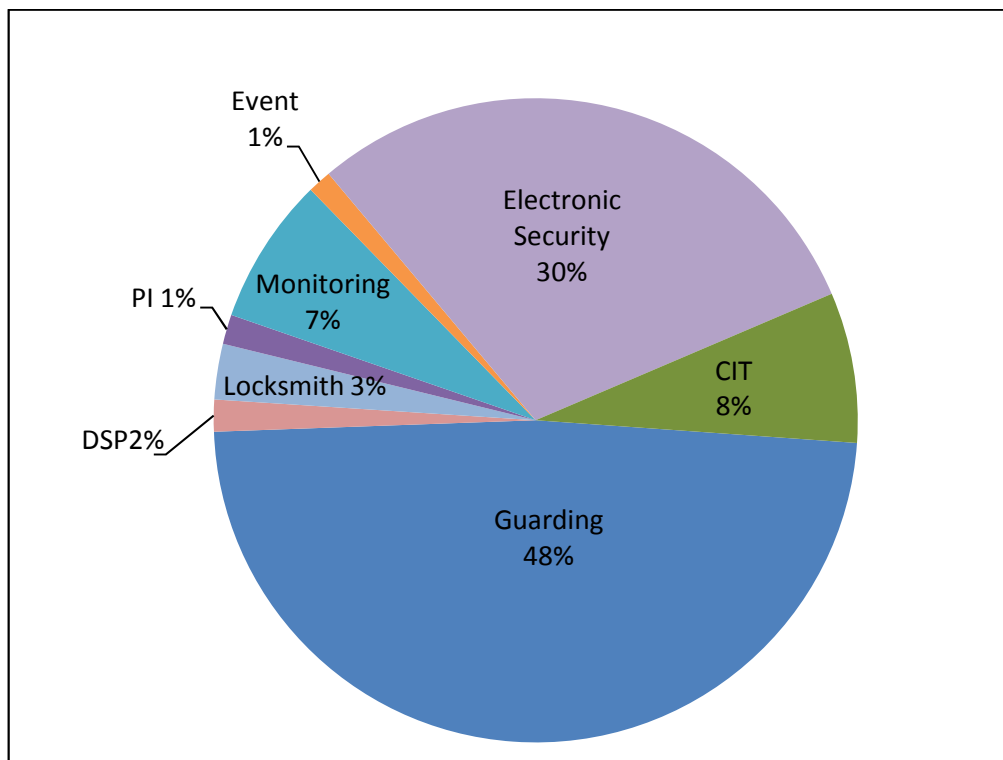


Figure 3 Overview of contractor turnover by sector in 2017

Progress Against Our Goals

Individual Licensing

2017 was the first year in which 100% of applications were processed through our online systems as we benefited from the investment made in IT systems in recent years. There were 28,648 individual licences in circulation at the end of December, an increase of 1,104 on 2016. The number of licences in the Security Guard (Static) sector increased from 15,558 to 15,961 while there was an increase of 779 in the number of combined Door Supervisor/Security Guard licences. Door Supervisor licences continued to decline from 3,942 to 3,754. The increase in Cash-in-Transit licences was expected as the industry restructured following the withdrawal of a contractor in 2016.

Table 3 Comparison of Number of Licences Issued for each sector in the years 2014 to 2017

	2014	2015	2016	2017
CASH IN TRANSIT	1,050	1,139	924	1,034
DOOR SUPERVISOR (LICENSED PREMISES)	4,632	4,302	3,942	3,754
SECURITY GUARD (STATIC)	15,639	16,553	15,558	15,961
DOOR SUPERVISOR AND SECURITY GUARD	6,360	6,787	7,120	7,899
TOTAL	27,681	28,781	27,544	28,648

Individual licence fees for the year totalled €1,831,547 compared to €1,985,352 in 2016 and €1,712,337 in 2015 (the comparable figure in the 2 year licence model). The increase on the 2015 figures is due to the introduction of the new 3 year licence cycle in December 2015, which included a small increase in the licence fee. There will be no licences falling due during 2018 as a result of the new 3 year cycle.

Licence Applications

We received 13,906 individual licence applications in 2017, 1,520 of which were rejected (11%). The rejection rate is down 6% on 2016 and this is welcomed, as the resource requirement needed to deal with rejected applications is considerable. Reasons for rejection of applications include incomplete application forms and missing documentation such as Criminal Record Certificates. 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. The roll out of a new Identity Validation Service in 2018 should ensure that all applications are complete prior to submission to the PSA.

Progress Against Our Goals

Of the 12,386 valid applications received, 4,907 were first time applications and 7,479 renewals.

Table 4 Impact of Licences expiring and issuing in 2017

	Licences Expired	Licences Renewed	Licences Not Renewed	First Time Licences Issued	Total Licences Issued	Variation: Licences Issued Over Licences Expired
2017	11,301 (100%)	7,576 (67%)	3,725 (33%)	4,183 (37%)	11,758 (104%)	+458 (+4%)

The non-renewal rate of 33% is the lowest ever recorded for individual licensing and may be attributed to the online renewal system, which simplifies the renewal process. As can be seen from the table above the number of first time licences issued in 2017 was 458 more than the number of licences not renewed. In addition, the Authority renewed 624 licences where the previous licence expired in 2016, resulting in an increase in the licensing population of 1,104.

Refusals and Appeals

We refused 79 applications for a licence during 2017. Individuals who are dissatisfied with our decision can appeal to the Private Security Appeal Board. As stated elsewhere, a new Appeal Board was appointed in May. There were 18 appeals during the year and 15 on hand from before the appointment of the new Appeal Board. By the end of the year, the Appeal Board had adjudicated on 26 appeals, upholding our decision in 20 cases and overturning our decision in 5. One appeal was withdrawn.

Progress Against Our Goals

Goal 2: Ensuring compliance with licensing requirements.

The PSA ensures compliance with the licensing requirements by monitoring licensees and by taking action against those in breach of the Private Security Services Acts. In 2017, our enforcement team comprised of four regional inspectors, 12 external inspectors and 10 HQ-based staff who are warranted inspectors and can be called upon for inspection and compliance projects. This allows us to target our compliance actions and to respond quickly to reports of non-compliance.

Intelligence reports received from the industry and the public are an important tool in combating non-compliance and targeting our inspection resources. We received 367 intelligence reports in 2017 compared with 339 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 283 intelligence reports, which were investigated, formed part of the 864 enforcement cases opened during the year. This is a decrease on the 1,068 cases opened in 2016.

Contractor Compliance

We undertook 141 contractor inspections in 2017 visiting licence holders and inspecting their records to ensure that compliance with the licensing regulations were maintained. In previous Annual Reports, we have highlighted the disappointing compliance rates found during inspections particularly in light of the certification systems, which is meant to underpin licensing. While the percentage of Category 1 non-conformances (the most serious category) reduced in 2017, the number of fully compliant contractors dropped from 35% to 25%. Our efforts to tackle this issue through the certification process have not been successful and in 2018, we will trial a new certification model.

Table 5 Contractor Inspections Compliance Rates

Outcomes	2016	2017
% Fully Compliant	35%	25%
% Category 1 non conformities	53%	47%
% Category 2 non conformities	8%	15%
% Category 3 non conformities	3%	3%
% Inspection Ongoing	1%	10%

Progress Against Our Goals

Buyers of Security

Ensuring that the buyers of security are aware of the licensing regime and 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 client 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 341 client cases in 2017. While the majority of clients were found to be compliant with the licensing regulations, there were 64 cases, which resulted in the contracts of unlicensed providers being terminated.

Our external inspectors continue to play an important role allowing us to undertake compliance exercises throughout the country. Their focus during the year continued on the electronic security sector visiting over 3,700 business premises. 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

The focus of individual compliance is to ensure that those employed to provide security services are licensed and comply with the requirement to wear ID badges. In 2017, 1,228 unannounced inspections on licensed premises, retail outlets and a range of other businesses were carried out at 151 locations across the country. 97% of all individuals encountered were licensed and found to be wearing their ID badge.

Table 6 Details of Individual inspections for 2017

Details	Door Supervisor	Security Guard	Overall
Inspections	88	63	151
Premises Visited	602	626	1,228
Premises with Security	380	450	830
Of which - - Contractors	148	347	495
- - In-house	213	63	276
- - Combination	19	40	59
Security Staff Encountered	975	650	1,625
ID Badge Compliance	96%	99%	97%

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 2017, we brought 1 prosecution before the courts. In addition, 9 contractors and 9 individuals had their licence revoked while 1 contractor and 4 individuals had their licences suspended for a period. A total of 45 enforcement notices issued to individuals in the year. Where a contractor 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 2017, 9 such complaints were received. 1 case was subsequently withdrawn. In 2 cases, the complaint was not upheld by the PSA and in one case, the complaint was upheld. There were 5 cases still under enquiry at year's end.

Inter Agency Co-operation

The PSA has Memorandum of Understanding with the Revenue Commissioners, the Workplace Relations Commission (WRC) and in 2017, we signed a new one with the Department of Employment Affairs and Social Protection. We undertook joint inspections with An Garda Síochána, Revenue Commissioners, staff from the Department of Social Protection and members of the Fire Authorities.



PSA Staff at Security TWENTY 17 at the Red Cow Hotel in April

Progress Against Our Goals

Goal 3: Raising standards within the industry.

Standards

In April we met with Certification Body auditors to discuss the non-conformities being found by our inspectors during contractor inspections. The aim of the event was to improve compliance rates at our inspections by informing auditors of our requirements for complying with standards.

In May, we launched a public consultation on a technical standard for the Access Control sector. This was followed by the establishment of a stakeholder working group to review the submissions and develop a standard for the sector. The group recommended the development of three standards, one for Access Control, one for Powered Gates and one quality management standard to replace the current standard, SR 40.

A new quality management standard for the Cash-In-Transit sector was also developed during the year and will be launched in 2018.

Training

Work on developing the training requirements for the licensing of individuals in the Intruder Alarm Monitoring and CCTV Monitoring sectors took place during the year with a plan to licence the sectors in the first half of 2018. A working group was also established to look at the training requirements for Private Investigators and their work was ongoing at the end of the year.

A public consultation on the requirements for Training Providers providing courses for licensing purposes took place during February and March. Discussions with stakeholders continued during the year and the final document will issue in 2018.

Progress Against Our Goals

Goal 4: Improve quality and frequency of communications.

Communication with all our clients and the wider public as well as our stakeholders is important to the PSA. We continued to build our media profile by advertising on national and local radio as well as regional and national newspapers and trade magazines. We attended a number of expos where we engaged with stakeholders and the wider public and produced a range of information leaflets to spread our message. Our website continues to play an important role with up to date licensing information and the latest news.



PSA Compliance and Inspectorate staff whose project was nominated for the Civil Service Excellence Awards

In June, we launched our new Customer Service Action Plan and Customer Charter, which underlines our commitment to our customers. A new online renewal system for Contractor licensing went live in May and the online service for individuals was improved to simplify the process for applicants.

We published 6 editions of our e-zine “PSA Watch” during the year keeping our stakeholders informed on regulatory matters.

Progress Against Our Goals

Goal 5: Development of Staff.

Our staff are the key to our business success and we value their contribution to our organisation. We support their development through the provision of a range of formal training and wellbeing activities. Staff involvement in our business planning and reviews are welcome and some of our key decisions have been as a result of ideas from our staff.

In 2017, we received an Excellence in Business Award for the provision of consumer services. The award was in recognition of our campaign on automatic gates along with other consumer information initiatives during 2016. We were also shortlisted for the 2017 Civil Service Excellence and Innovation Awards in the “Digital Excellence” category for hand-held electronic devices used to capture data during inspections.



Staff of the PSA at their headquarters in Tipperary Town with the Award for “Provision of Consumer Services”

Progress Against Our Goals

Goal 6: Optimise the role of PSA inspectors in certification oversight.

Earlier in this report, we mentioned the ongoing compliance issues we are experiencing with contractor inspections. Despite our best efforts to improve rates through a range of measures over the past two years only 25% of contractors were found to be fully compliant during PSA inspections.

This year we continued to focus on improving the audit process and developing an oversight mechanism, which will provide some reassurance as to the quality of inspections provided under the regulatory regime. In 2016, the PSA published a document, which set out guidelines for Certification Bodies to comply with PSA requirements in relation to accreditation, certification and PSA approval. This was followed in 2017 by a “companion” publication, which set out PSA requirements for auditors engaged or employed by those Certification Bodies. This covers the responsibilities of Certification Bodies in relation to their auditors as well as the requirements expected of auditors by the PSA.

We are working to further strengthen the certification process and to integrate it into the PSA compliance framework. It is planned to examine further ways in which the certification oversight model can be improved in 2018 so that compliance rates reach an acceptable level.

The first inspection of a training provider by the PSA took place on 6 September 2017. The inspection is part of an increased role being developed by the PSA in the oversight of training provision stemming from concerns around the quality of training. The development of requirements for training providers mentioned elsewhere in the report is part of this new role. Further inspections are scheduled for early 2018.

Statement of Internal Control

Scope of Responsibility

On behalf of the Board of the Private Security Authority 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 Authority.

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 Authority. The current Board was appointed in November 2017. Because of the short passage of time since our appointment, we have relied largely on the reports and decisions of the previous Board in meeting our requirements under the Code.

Risk Management

The Authority had an Audit and Risk Committee for the period from January 2017 to July 2017 comprising of three Board members and a Secretary. The Committee met 2 times in 2017 and ceased on the expiry of the PSA Board in July 2017.

A new Committee was appointed at the first Board meeting of the new Board in December 2017. It comprises of four Board members of the Board, one with financial expertise and one of whom is Chair. A member of the Executive acts as Secretary. The first meeting of the Committee was in January 2018.

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, ARC and Executive. The Authority relies on the C&AG to independently confirm the effectiveness of controls.

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

The Authority 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 Authority, 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.

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 to Board meetings and the Risk Register of relevant matters. In addition, the Chief Executive has established an audit team who undertake periodic checks across all aspects of the business.

Procurement

During 2017, the Authority 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 after the term of the previous Board expired in May. The Audit and Risk Committee was appointed at the first meeting of the Board in December. As a result, the Board did not conduct a review of the effectiveness of the internal controls during 2017.

Internal Control Issues

The Board have considered the Risk Register at its December 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 C&AG 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 has not been closed at the end of the year. This relates to the recommendation of the Department's Internal Audit Unit that a system of reconciliation for online payments be developed. Having discussed the matter with the Department's IT Division and considered the costs involved, the Authority has decided to put the recommendation on hold until finances are available to pursue the matter. The 2017 Financial Statements had not been received from the C&AG at the time of publication of this report. They shall be published at a later date.

Noel Lappin
Chairman
June 2018

Recommendations and Management Comments from Internal Audit Report and Comptroller and Auditor General's Report

	Recommendation	Management Comment	Current Status
IAU1	The PSA should notify HR and PeoplePoint of the 11 incorrect cost centre cases. All future internal changes within the PSA group of Cost Centres must be notified to HR/Peoplepoint.	The PSA agree with the recommendation. HR and PeoplePoint is being notified of all changes and our procedures being updated to ensure that future staff changes are notified as they occur.	CLOSED - Implemented
IAU2	The PSA and the Financial Management Unit should agree on a maximum amount that can be held in the bank account at the end of each month. This will reduce the month end balance to reasonable levels and reduce the associated risks of holding large bank balances. The option of mandated (i.e. amounts above an agreed value could only issue to the Departments Account) accounts should be considered by the PSA and Financial Management Unit.	The current system of transferring money to Killarney was agreed with the C&AGs following concerns regarding end of month transfers. The recommendation would see a return to end of month transfers.	CLOSED - FMU advised
		Money is transferred on a monthly basis so there is no build-up of money over a period of time. Large balances are not held in the account. Where large balances do arise, this is due to the volume of activity within the month rather than money left on account over a period of time.	
		The recommendation does not enhance controls or improve on the current system. Its implementation could have resource implications for the PSA if payment frequency was to increase. The PSA will bring the recommendation to the attention of FMU but does not intend to pursue it with them.	
IAU3	Toll receipts or tag system statement should be attached to all claims where applicable.	<p>Circular 11/82 - Travelling and Subsistence Regulations, requires all travel to be taken by the shortest practicable route. The PSA checks all claims to ensure that this is the case. Where an officer uses the motorway and incurs a toll and there is a shorter more practicable alternative available, the lesser payment is approved. It is not necessary to have a toll receipt to verify if payment is due or not.</p> <p>The PSA will consider the implementation of the recommendation when the Internal Audit Unit clarify if there are any data protection issues in providing the tag account statements.</p>	CLOSED - Will review on receipt of data protection clarification from IAU

IAU4	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 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 - Issue raised with IT Division. Cost of introducing an integrated verification system prohibitive. PSA will review when funding available.
IAU5	Internal Audit recommend that the Department implement an effective project management structure over all IT projects, including those in the PSA.	The PSA will bring the matter to the attention of the Department's IT Division.	Closed - IT Division responsible for establishing project management structure. Internal structures already in place within PSA.
CAG1	(a) An audit committee charter be developed and maintained. (b) For independence and best practice the audit committee should include members who are independent of the Board and the organisation. (c) The audit committee should meet at least 4 times annually, and that minutes be recorded and approved for each meeting.	(a) An audit committee charter be developed and maintained. (b) To be considered having regard to the arrangements in other audit committees. (c) Previous audit committee met twice in 2017 before term expired.	(a) Closed - Charter already in place. (b) Closed - The Board decided not to seek an independent member for the audit committee. (c) Closed - Set out in terms of reference and letters of appointment.
CAG2	The audit recommends that all future IT projects have a designated project board with appropriate skills that: 1. Establishes the requirements of future developments. 2. Monitors the progress and cost of development. 3. Holds those responsible for development to account and takes appropriate and timely remedial action where required.	A project team comprising representatives of the PSA and the Department's IT Division has been in place from the start of the current IT project. The project team agreed the requirements of the development, which came in below cost.	Closed
CAG3	The audit recommends the PSA investigate technical issues in lotus notes relating to licence certificates and ensure they are resolved as a matter of priority.	All such technical issues are addressed as a matter of urgency. The recommendation would appear to suggest otherwise. We will continue to work with IT Division to address technical issues as they arise.	Closed

CAG4	A register should be maintained which records the physical licence certificates used. This should clearly distinguish the certificates, which were issued, and those, which were spoiled. This register should be reviewed on a frequent basis, and should be reconciled back to the physical unused certificates in stock. This review and reconciliation should be evidenced by the authorising officer's signature.	The PSA relies on the database report as the register of certificates and does not intend to introduce a manual register. We are satisfied that the mechanisms in place for the control and issuing of licences do not raise any risks. We will continue to work with IT Division to improve the reporting mechanism. There are control mechanisms already in place for the unused certificates in stock and to the best of our knowledge no concerns have been raised concerning these. These mechanisms will remain in place for the unused stock.	Closed
CAG5	The audit recommends the IT system be amended to ensure the potential exposure for refunds can be easily calculated. The audit further recommends the potential exposure be consistently monitored and where evidence exists of an actual or potential liability that the correct accounting treatment be then adopted.	<p>The findings appear to have confused two separate issues. The PSA's policy has always been that where a determination has issued the applicant is not entitled to a refund. As a consequence, applicants who are refused do not receive a refund. Refunds are issued where applications are rejected or withdrawn.</p> <p>The new online systems have given rise to situations, which did not previously exist, including the one highlighted in the findings. We are currently reviewing how best to address these issues.</p>	Closed - Processes now in place to identify online cases similar to the one reported which require a refund.

Appendices

Appendix 1 - Statistical Reports

Report 1 - Number of Individual Licences Issued at 31 st December 2017 By County and Gender							
County	Door Supervisor	Security Guard	Both SG and DSP Sectors	Cash-in-Transit	Total	Male	Female
Carlow	53	149	75	8	285	271	1
Cavan	36	143	114	6	299	281	1
Clare	132	252	95	13	492	456	3
Cork	449	1,190	788	50	2,477	2,280	19
Donegal	151	122	140	1	414	385	2
Dublin	994	7,849	2,765	523	12,131	11,403	72
Galway	225	460	517	42	1,244	1,158	8
Kerry	144	253	229	1	627	599	2
Kildare	139	871	367	63	1,440	1,349	9
Kilkenny	52	135	77	2	266	256	1
Laois	58	247	171	15	491	466	2
Leitrim	27	35	60	2	124	115	9
Limerick	176	800	330	71	1,377	1,322	5
Longford	30	126	136	2	294	278	1
Louth	129	427	230	17	803	775	2
Mayo	136	231	149	5	521	481	4
Meath	135	561	233	44	973	930	4
Monaghan	37	69	98	14	218	200	1
Offaly	64	211	111	8	394	373	2
Roscommon	45	135	88	4	272	252	2
Sligo	57	115	101	33	306	295	1
Tipperary	114	328	182	9	633	596	3
Waterford	92	304	246	34	676	657	1
Westmeath	61	297	173	6	537	517	2
Wexford	102	259	226	10	597	559	3
Wicklow	70	353	159	31	613	579	3
Northern Ireland	46	33	34	20	133	125	8
GB (excl NI)	0	6	5	0	11	9	2
Totals	3,754	15,961	7,899	1,034	28,648	26,967	1,681
% of Total	13%	56%	28%	4%	100%	94%	6%

(GB total includes 1 European Address)

Appendices

Appendix 2 - Statistical Reports

Report 2 - Number of Contractor Licences Issued at 31 st December 2017 By County											
County	DSE	DSP	SGAM	SGCCTV	SGE	SGS	IES	CIT	PI	LK	Total
Carlow	0	0	1	1	0	0	18	0	0	3	23
Cavan	0	0	1	1	0	2	17	0	1	0	22
Clare	0	0	0	0	0	2	18	0	1	2	23
Cork	3	3	4	4	3	11	86	0	8	11	133
Donegal	3	2	0	0	3	5	12	0	2	4	31
Dublin	17	19	9	6	18	81	259	3	31	59	502
Galway	1	2	1	1	1	6	42	0	4	9	67
Kerry	0	0	0	0	1	5	21	0	3	4	34
Kildare	4	6	1	0	4	13	51	1	8	14	102
Kilkenny	1	1	0	0	1	4	15	0	0	3	25
Laois	1	1	0	0	1	3	16	0	2	2	26
Leitrim	0	0	0	0	0	0	5	0	0	0	5
Limerick	0	0	1	1	0	3	41	0	6	2	54
Longford	1	0	0	0	1	3	8	0	1	0	14
Louth	1	2	0	0	1	5	32	0	2	3	46
Mayo	1	1	0	0	1	1	14	0	3	4	25
Meath	1	3	0	0	1	9	45	0	5	8	72
Monaghan	0	1	0	0	0	3	14	1	0	0	19
Offaly	0	0	0	0	0	0	11	0	1	5	17
Roscommon	0	0	0	0	0	1	12	0	0	0	13
Sligo	0	0	0	0	0	2	11	0	1	4	18
Tipperary	1	1	0	0	2	9	37	0	4	4	58
Waterford	1	1	0	0	2	6	19	1	2	4	36
Westmeath	2	1	0	0	3	4	21	0	8	2	41
Wexford	2	2	2	2	2	3	24	0	1	7	45
Wicklow	0	1	1	1	0	5	40	0	5	4	57
Northern Ireland	1	1	6	7	2	3	31	0	6	4	61
GB (excl NI)	2	1	9	5	2	3	10	0	5	0	37
Totals	43	49	36	29	49	192	930	6	110	162	1606
% of Total	3%	3%	2%	2%	3%	12%	58%	<0.5%	7%	10%	100%

Legend

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

Appendices

Appendix 3 - Energy Report

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

In 2017, 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)
90	122
Typical Building of this type	
Non-Electrical (kWh/m ² /yr)	Electrical (kWh/m ² /yr)
129	232

The focus in 2017 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.

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