



Oversight Agreement 2017
between the Private Security Authority and the
Department of Justice and Equality

1. Introduction

1.1 The Private Security Authority (PSA), which was established pursuant to the Private Security Services Act 2004 (as amended), is the regulator for the private security industry. The Authority is an independent body under the aegis of the Department of Justice and Equality and is administered by a Board. The Authority is based in Tipperary Town.

1.2 The PSA is charged with introducing, controlling and managing a comprehensive standards based licensing system for the private security industry. The key responsibility of the Authority is to licence those providing security services and the main objective is to improve and maintain standards and qualifications in the provision of these services. The Authority's 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.

The statutory mandate of the Authority, in accordance with Section 8 of the Private Security Services Act 2004, is as follows:

- Controlling and supervising persons providing security services and maintaining and improving standards in the provision of those services,
- Granting and renewing of licences,
- Issuing identity cards to licensees,
- Suspending and revoking licences,
- Establishing and maintaining a register of licensees,
- Specifying standards to be observed in the provision of security services,
- Specifying qualifications or any other requirements for the granting of licences,
- Undertaking or commissioning research projects and activities necessary for the planning, development and provision of security services,

- Investigating any security services being provided by any person,
- Establishing and administering a system of investigation and adjudication of complaints,
- Monitoring the provision of private security services generally,
- Liaising with licensees,
- Advising the Minister on any matters relating to the above functions and keeping the Minister informed of developments in relation to the provision of security services and assist in co-ordinating and developing policy in that regard.

1.3 In accordance with Section 8 (3) of the Act the Minister may, with the consent of the Minister for Finance, by order confer such additional functions relating to security services and connected with the Authority's statutory functions as the Minister considers appropriate.

1.4 The PSA is mandated, under the Private Security Services Act 2004, to regulate the following industry sectors:

- Door Supervisor
- Installer of Security Equipment
- Security Guard
- Providers of protected forms of transport
- Locksmith
- Supplier or installers of safes
- Private Investigator
- Security Consultant

It should be noted that the installation of CCTV, intruder alarm and access control systems, along with event security, are some of the subcategories of the above industry sectors which are currently licensed by the PSA, as are the alarm and CCTV monitoring sectors.

The PSA is introducing licensing to the industry on a phased basis. To date, the Authority has licensed *contractors* in the following sectors: Security Guarding, Door Security, Alarm Installation, Alarm Monitoring, Access control, CCTV, Cash-in-Transit (CIT), Event Security and Private Investigators. It has licensed *individuals* working in the security guarding and door supervisor sectors, as well as those working in the cash in transit sector. The licensing of Locksmiths will become mandatory as of 1 February 2017.

2. Role of the Private Security Authority within the Justice and Equality Sector

2.1 In developing the objectives of the Agreement, the Department had particular regard to the PSA's organisational priorities. These are to ensure the continuing phased licensing of the remaining sectors prescribed in the Private Security Services Act 2004 (as amended) which are not yet licensed, the monitoring of compliance with regulatory requirements and the improvement of standards within the industry.

2.2 Regulation of the private security industry is standards based and this approach provides protection and reassurance to the public who are the end user of these services and also provides structure and protection to those who provide a quality service in accordance with standards which cater for the interests of both employers and employees in the various sectors which make up the private security industry.

2.3 The work of the PSA contributes to the Department's goals in relation to:

- Maintaining a safe and secure Ireland
- Working for safer communities
- Establishing appropriate regulatory frameworks to protect individuals and organisations and as a basis for economic recovery and growth.

3. Corporate Governance

3.1 Roles and Responsibilities

Accounting Officer

The Private Security Authority falls under the Department of Justice and Equality's Vote (Vote 24) and as such the Department's Secretary General is the Accounting Officer. Further external scrutiny and governance is provided through the submission and analysis of the Appropriation Accounts to the Comptroller and Auditor General and ultimately to the Oireachtas through the Public Accounts Committee.

The Board

The Private Security Services Act 2004 (as amended) makes provision for the appointment of a Chairperson and 10 members to the Board of the Authority. The Chairperson and all members are appointed by the Minister for Justice and Equality. Under Section 7 (2) (a) to (g) of the Act,

- at least one person must be a practising barrister or practising solicitor of not less than five years standing,
- two persons must be representatives of private security employers,
- two persons must be representatives of employees of such employers,
- one person not below the rank of Assistant Commissioner must be nominated by the Commissioner of An Garda Síochána,
- one person must be an officer of the Minister;
- one member of the staff of the Authority must be elected by secret ballot by the staff of the Authority and
- one person must be a representative of any other Government Minister, who, in the opinion of the Minister is directly concerned with, or responsible for, activities relevant to the functions of the Authority.

The current list of all Board members is as outlined below;

Name	Basis for Membership
Assistant Garda Commissioner John O'Driscoll	Representative of the Garda Commissioner
Mr. Padraic Cafferty	Representative of employers in the private security industry
Ms. Helen Curley	Representative of Minister for Jobs, Enterprise and Innovation
Mr. Arthur Hall	Representative of employees in the private security industry
Ms. Geraldine Kelly	Practising Solicitor in accordance with Section 7 2 (g) of the Private Security Services Act 2004 (as amended)
Ms. Mary Rose Kinane	Representative of the staff of the PSA
Mr. Noel Lappin (Chairman)	Discretionary non-defined member
Ms. Freda O'Dowd	Representative of employers in the private security industry
Ms. Ann Reid	Discretionary non-defined member
Ms. Marion Walsh	Representative of the Minister for Justice and Equality
Mr. Christy Waters	Representative of employees in the Private Security Industry

In accordance with Part 2 Section 7 (7) of the Act the Minister is required to have regard to the extent to which each sex is represented in the membership of the Board and is required to ensure an appropriate balance is maintained.

Members of the Board act in accordance with the primary legislation, the Ethics in Public Office Acts, the PSA General Governance Guidelines (which are based on the Code of Practice for the Governance of State Bodies) and the Authority's Code of Business Conduct. The Board has also an Audit and Risk Committee which examines audit and risk related matters and reports back to the Board. In addition, the Authority is subject to annual audit by the Department's Internal Audit Unit and by the Office of the Comptroller and Auditor General.

Cognisance in particular will be taken of the (draft) Governance Standard for Justice and Equality Bodies to cover the requirements set out in the Standard. This will

include the completion of an annual assessment of the effectiveness of the Board and other such requirements.

The members of the Authority are collectively responsible for leading and directing the Authority's activities within a framework of prudent and effective control as set forth in the Code of Practice for the Governance of State Bodies 2016.

The term of office of the current Board is due to expire on 21 July 2017 and arrangements will be made to have a new Board appointed in conjunction with the Public Appointments Service.

Chairperson of Authority

The Chairperson is responsible for leading and guiding the Authority in its task of setting the State body's strategic policies. The Chairperson works with the CEO to manage the Authority's agenda and provides direction to the Secretary to the Authority. The Chairperson will furnish a Comprehensive Report to the Minister for Justice & Equality ("the Minister"), in conjunction with the Authority's annual report and financial statements, outlining any significant commercial developments in the preceding year and affirming the PSA's compliance with relevant codes and regulations, in accordance with the Code of Practice for the Governance of State Bodies (2016), in particular addressing the requirements of paragraph 1.9 of the 'Business & Financial Reporting Requirements' Annex to the 2016 *Code of Practice for the Governance of State Bodies*.

Chief Executive Officer

The Chief Executive is appointed by the Minister in accordance with Section 10 (3) (a) of the Private Security Services Act 2004 (as amended) on the recommendation of the Public Appointments Service. In accordance with Section 10 of the Act the Chief Executive is responsible for managing and controlling the staff, administration and business of the Authority and performing such other functions as may be conferred on him or her under the Act or by the Authority. The Chief Executive also is responsible

to the Authority for the performance of his or functions and the implementation of the Authority's functions.

As Accountable Officer, the CEO is accountable to the Committee of Public Accounts (PAC) and other Oireachtas Committees.

3.2 Annual Self-Assessment Evaluation

The Authority should undertake an annual self-assessment evaluation of its own performance and that of its committees in accordance with the Code of Practice of the Governance of State Bodies. Guidance on how to conduct this evaluation can be found in the *Board Self-Assessment Evaluation Questionnaire* document which has been appended to the *Code of Practice for the Governance of State Bodies* (2016). An external evaluation of the Authority's performance should be carried out every three years.

3.3 Strategic Plan

Section 9 (1) of the Private Security Services Act 2004 provides that the Authority *"shall, as soon as practicable after its establishment and thereafter within 6 months before each third anniversary of its establishment, prepare and submit to the Minister, for approval by the Minister with or without amendment, a strategic plan for the ensuing 3-year period."*

The Private Security Authority's current Strategic Plan covers the period 2014 – 2017.

3.4 Draft Unaudited Financial Statements

Draft unaudited annual financial statements should be submitted to the Department not later than two months after the end of the relevant financial year, in accordance with the *Code of Practice for the Governance of State Bodies* (1.4 (ii) – 'Business and Financial Reporting' Annex).

3.5 Annual Report and Accounts

Section 16 (1) of the Private Security Services Act 2004 provides that the Authority *“shall, not later than 30 September in each year, make a report to the Minister on the performance of its functions and on its activities during the preceding year”* and Section 16(2) of the Act provides that the Minister *“shall cause copies of the report to be laid before each House of the Oireachtas.”*

The 2015 Annual Report of the Private Security Authority was submitted to the Minister in August 2016 and copies were laid before the Houses of the Oireachtas.

3.6 Reporting Requirements – Annual Report

In accordance with Appendix A of the ‘Business & Financial Reporting’ Annex to the *Code of Practice for the Governance of State Bodies*, the Annual Report should include:

- i. A statement of how the board operates;
- ii. A statement of how the performance evaluation of the Board and its committees has been conducted;
- iii. Number of Board meetings and attendance level of each Board member;
- iv. Names of Chairperson, the CEO and members of the Authority and its committees;
- v. Confirmation that an appropriate assessment of CRA’s principal risks, including a description of these risks, where appropriate and associated mitigation measures or strategies.

3.7 Reporting Requirements – Financial Statements

In accordance with Appendix B of the ‘Business & Financial Reporting’ Annex to the *Code of Practice for the Governance of State Bodies*, the Financial Statements should include:

- i. Details of non-salary related fees paid in respect of Board members and the salary of CEO;
- ii. Aggregate pay bill, total number of employees and compensation of key management level;

- iii. Total Costs incurred in relation to travel and subsistence and hospitality;
- iv. Details of expenditure on external consultancy/adviser fees;
- v. Details of the number of employees whose total employee benefits for the reporting period fell within each band of €25,000 from €50,000 upwards;
- vi. Details of termination/severance payments and agreements with a value in excess of €10,000, made within the period.

3.8 Internal Audit

The Department's Internal Audit Unit provides support to the PSA in monitoring and reviewing the effectiveness of the Authority's arrangements for governance, risk management and internal control.

3.9 Audit and Risk Committee

The PSA Board's Audit and Risk Committee shall consist of at least three independent, non-executive Authority members, with written terms of reference which clearly outline the committee's authority and duties. The role of the Committee is to ensure that the interests of Government and other stakeholders are fully protected in relation to business and financial reporting and internal control.

3.10 Protected Disclosures

In accordance with Section 21(1) of the Protected Disclosures Act 2014, the Authority will establish and maintain appropriate Protected Disclosures Procedures for the making of protected disclosures by workers who are or were employed by the Authority, and for dealing with such disclosures.

Procedures for dealing with disclosures from a person or entity who is/are external to the Authority should also be established.

3.11 Governance Obligations

As a statutory agency operating under the aegis of the Minister, the PSA is subject to a range of statutory and corporate governance obligations including the 2016 *Code of Practice for the Governance of State Bodies*. The PSA will ensure that all the necessary

obligations, including those for risk management, internal audit and the Public Spending Code are fully complied with.

3.12 Chairperson's Comprehensive Report to the Minister

To confirm compliance (or otherwise) with key provisions of the Code of Practice and the Governance Standard for Justice and Equality Sector Bodies, the Chairperson of the Board will complete, on an annual basis, a Comprehensive Report to the Minister in order to provide assurance to the Department that the systems of internal control, risk management and other areas of compliance are operating effectively. This report will address all of the requirements of paragraph 1.9 of the '*Business & Financial Reporting Requirements*' Annex to the *Code of Practice for the Governance of State Bodies*.

3.13 Provision of Information to Members of the Oireachtas

In accordance with D/PER Circular25/2016 - *Protocol for the Provision of Information to Members of the Oireachtas by State Bodies under the aegis of Government Departments/Offices*, the PSA is obliged to:

- i. Provide and maintain a dedicated email address for Oireachtas members.
- ii. Put in place formal feedback processes appropriate to the level of queries received to obtain feedback from Oireachtas members.
- iii. Comply with target deadlines and standards in terms of acknowledgements and responses to queries.
- iv. Designate a person at senior management level within the Authority with responsibility for ensuring the timely provision of information to members of the Oireachtas.
- v. Report annually (in the Chairperson's comprehensive report to the Minister) on compliance with standards set out in Circular 25/2016.
- vi. Seek, where appropriate, to publish the response to queries from members of the Oireachtas on the PSA's website.

3.14 Governance Obligations

Governance obligations will also be reviewed as part of the overall monitoring process of this Oversight Agreement itself.

3.15 Comply or Explain

If there are any derogations or agreed exemptions from the provisions of the Code of Practice for the Governance of State Bodies, reasons for these should be clearly explained here.

Part II - Performance Delivery Agreement

4. Objectives of the Agreement¹

The purpose of this agreement is to formalise a process through which the outputs and outcomes required from the PSA can be measured and assessed. Equally, the agreement will set out the expectations of the PSA in relation to the support, guidance and information flow from the Department of Justice and Equality (“the Department”), which are vital in enabling the PSA to achieve its strategic and operational goals. To achieve this, it is necessary to set out the following:

- The Department’s expectations of the PSA;
- The key inputs, outputs and expected outcomes of the Authority’s activities;
- Assessment of performance by monitoring of agreed targets, around those key outputs, inputs and outcomes;
- Support of the PSA by the Department in the delivery of its functions as set out in the Private Security Services Act 2004 (as amended).

This Performance Agreement records an agreed level of service and performance for 2017 between the Department of Justice and Equality and the Private Security Authority (PSA). It sets out the PSA’s key targets for 2017 and defines the output and outcome indicators on which performance should be measured.

The Agreement seeks to (a) facilitate the PSA in carrying out its functions, (b) progress the ongoing development of output measures for its expenditure, and (c) improve the effectiveness and efficiency of public services.

The Agreement will support the PSA’s *Strategic Plan 2014 – 2017* in achieving its high level goals.

¹ Appendix E to the Code of Practice for the Governance of State Bodies sets out the expected format and detail to be included in the Performance Delivery Agreements.

5. Commitments

5.1 Mutual Commitments

- Both parties commit to proactive and timely communications, cooperation, and information sharing on service delivery.
- Both parties support the effective achievement of agreed targets, as well as the promotion of partnership, responsiveness and mutual cooperation in their ongoing interactions.
- Both parties agree to consult and to keep each other fully apprised on all matters of mutual relevance;
- Both parties agree on the effective realization of this agreement and the agreed targets that will come about.

The annual budgetary provision for the PSA will form part of the estimates for the Justice and Equality Vote (Vote 24) and the requirements of the PSA will be considered in that context.

5.2 Department of Justice and Equality Commitments

The Department will provide the following supports to the PSA to enable it deliver on its objectives:

- Liaise with the Department of Public Expenditure and Reform to ensure as far as possible, timely sanction for expenditure and staffing in line with Public Financial Procedures and Public Service Numbers policy;
- Provide updates on Public Financial Procedures and Civil Service HR Policy Guidelines;
- Provide a Human Resource Management service including, but not limited to, recruitment, employee relations, workforce development and performance management;
- Provide guidance on Government Accounting and Governance;
- Provide financial services (e.g. payroll and accounting services) through the Department's Financial Shared Services;

- Provide internal audit services to the Authority. The audit work will be agreed between the Chair of the Finance, Audit and Risk Committee, the CEO and the Head of Internal Audit in the Department of Justice and Equality. The Audit Unit will, subject to resources, carry out the audits within an agreed timeframe.
- Provide a networking and information service to the Authority, to ensure that staff of the Authority, who are civil servants attached to the Department of Justice and Equality, are kept fully informed of developments, career opportunities, staffing changes and policies in the parent Department;
- Inform and involve the PSA in any activities related to the role that the PSA plays or may be required to play within the Department;
- Work with the PSA in the regular reporting processes under the Public Sector Reform and Civil Service Renewal Programmes;
- Subject to budgetary constraints and any necessary sanctions and approvals for expenditure, provide the necessary ICT expertise and resources to support the ongoing development of the online renewal application system for individuals and contractors in the private security industry and for any reporting systems which underpin the effective functioning of the Authority;
- Provide monthly financial reports, processing of telephone bills, asset tracking and general financial advice via the Department's Financial Management Unit (FMU);
- Ensure that the State Boards process is initiated at an early stage (when vacancies arise or are anticipated or in advance of any date on which the Board's four-year term of office is due to expire).

6. Inputs

6.1 Financial Inputs

The following table summarises budget allocation and outcome for 2017.

Expenditure	2017 Budget Allocation
Pay	€1,935,000.00
Non-Pay	€935,000.00
Total	€2,870,000.00

6.2 Staffing Resources

Grade	Staffing Level Nov 2016
CEO	1
Assistant Principal Officer	3
Higher Executive Officer	4
Administrative Officer	0
Executive Officer	8
Executive Officer – Inspectors	4
Clerical Officer	19
Services Officer	1
Total	40

Note: On 30th May 2016 an AP joined the PSA to fill a vacancy that arose in June 2015.
1 AP post remains vacant.

7. Outputs /Targets

The following section sets out the Key Performance Indicators which will be used to assess the PSA's progress towards achieving its key mandate and core function as the regulatory body with responsibility for regulating and licensing the private security industry in the State in accordance with the provisions of the Private Security Services Act 2004 (as amended).

The PSA has identified four key strategic objectives in its Strategy Statement which are the focus of its current work programme;

1. Complete necessary regulation and open licensing for individuals employed in monitoring centres.
2. Complete necessary regulation and open licensing for individuals employed in the event security sector.
3. Conduct consultation exercise on training requirements for electronic security sector.
4. Review existing standards for electronic security sector in light of current technology.

Strategic Objective 1 –Complete necessary regulation and open licensing for individuals employed in monitoring centres:

Goals	Actions	KPIs	Target
Introduce licensing for individuals employed in monitoring centres.	Agree training requirements with stakeholders.	Training requirements document approved by stakeholders.	Q2 2017
	Circulate draft Regulations introducing licensing.	Draft regulations approved by Board and agreed with Department.	Q3 2017
	Announce critical date for licensing.	Publish licensing requirements and timeframe for licensing.	Q4 2017

Strategic Objective 2 – Complete necessary regulation and open licensing for individuals employed in the event security sector.

Goals	Actions	KPIs	Target
Introduce licensing for individuals employed in the event security sector.	Training documents completes QQI approval process.	Training document and course content published.	Q2 2017
	Circulate draft Regulations introducing licensing.	Draft regulations approved by Board and agreed with Department.	Q3 2017
	Announce critical date for licensing.	Publish licensing requirements and timeframe for licensing.	Q4 2017

Strategic Objective 3 - Conduct consultation exercise on training requirements for electronic security sector.

Goals	Actions	KPIs	Target
Training requirements for electronic security sector published.	Consult with stakeholders on suitability of electronic security apprenticeship.	Undertake public consultation.	Q1 2017
	Publish outcome of public consultation and proposed next steps.	Board approval for training proposals. Publish training proposals.	Q2 2017
	Consult with stakeholders on training proposals.	Establish working group to review proposals.	Q3 2017

Strategic Objective 4 - Review existing standards for electronic security sector in light of current technology

Goals	Actions	KPIs	Target
Publish new standard for access control sector.	Consult with stakeholders on new access control standard.	Undertake public consultation.	Q1 2017
	Circulate draft Regulations introducing new standard.	Draft regulations approved by Board and agreed with Department.	Q3 2017
	Announce date for introduction of new standard.	Publish standard.	Q4 2017
Review standard for alarm and cctv sectors.	Investigate changes to European standards since the introduction of licensing.	Identify developments in standards.	Q1 2017
	Consult with stakeholders on new standards	Establish working group to review standards.	Q2 2017
	Develop draft standards.	Undertake public consultation on draft standards.	Q4 2017

8. Potential Risk Factors

Whether it is the installation and monitoring of alarm systems in the home, the transport of cash across the economy or the securing of goods and services for business, the private security industry plays an important role in our society. Employing over 20,000 people with turnover of €650 million, every day the industry is responsible for the protection of billions of Euros of assets and the security of millions of our citizens. The industry is a diverse one ranging from large multinationals employing thousands of people in the guarding sector to small one man operators in the electronic security sector. The potential risks for a regulator are many and not always predictable. The following potential risks are those which the Authority believes could cause reputational damage to the Authority, the Department and the regulatory environment.

- Major incident in the security industry in a sector not yet regulated or in a regulated sector where regulatory oversight has been insufficient or ineffective.
- Lack of expertise in the technical, financial and investigative areas to support the Authority in its regulatory role.
- Standards and training not been reviewed and enhanced to take account of changing environment in which the industry operates.
- Industry perception that compliance regime is not robust.
- Inability of IT systems to support regulatory framework.

The Authority produces a business risk register which is considered at each Board meeting. The maintenance of the Register ensures that risks are identified and assessed and necessary mitigating actions are where resources allow, put in place.

9. Flexibility and Amendment of Targets

Where amendments become necessary, both parties will engage to agree on amended targets.

10. Monitoring Arrangements

In accordance with the Department's draft *Governance Standard for Justice and Equality Sector Bodies*, the Chief Executive of the PSA and the Assistant Secretary in his capacity as Senior Responsible Officer for the PSA, will hold at least two Accountability and Performance meetings per year or more frequently if required by the Department, to provide an update on developments and achievement of targets as set out in this Agreement. Relevant outcomes will be communicated to the Department's Governance Unit as required.

The Private Security Authority undertakes to return:

- (a) relevant and appropriately detailed performance information to allow for monitoring of this agreement and to enable the Department fulfill its functions in terms of oversight of the PSA ;
- (b) relevant and appropriately detailed performance information for inclusion in the Revised Estimates for Public Services volume
- (c) performance information in line with the set of such indicators, and in keeping with the timeframe, agreed with the Department of Justice and Equality.

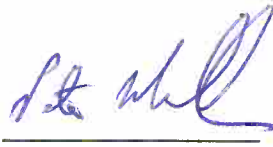
As part of its overall review of governance structures and having specific regard to the draft *Governance Standard for Justice and Equality Bodies*, the Department will further review these proposed arrangements during 2017.

11. Duration and Signatories to the Agreement

Paul Scallan, CEO, Private Security Authority and Peter Mullan, Assistant Secretary of the Department of Justice and Equality in his capacity as Senior Responsible Officer for the PSA agree that the arrangements as set out in this Performance Agreement will apply with effect from the date signed hereunder until 31st December 2017.



Paul Scallan
Chief Executive
Private Security Authority



Peter Mullan
Assistant Secretary
Department of Justice and Equality

Date: 31/1/ 2017

Date: 31/1/ 2017