

Financial Statements

Private Security Authority

For the year ended 31 December 2020

PRIVATE SECURITY AUTHORITY

CONTENTS	PAGE
Governance Statement and Board Members' Report	3
Statement on Internal Control	9
Statement of Income and Expenditure and Retained Revenue Reserves	12
Statement of Financial Position	13
Statement of Cash Flows	14
Notes to the Financial Statements	15

PRIVATE SECURITY AUTHORITY

GOVERNANCE STATEMENT AND BOARD MEMBERS' REPORT

The Board of the Private Security Authority (PSA) was established under the Private Security Services Act 2004. 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 an Oversight Agreement for the period 2020 to 2022 together with a Performance Delivery Agreement for 2020 were in place with the Minister's Department. These agreements define 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.

PRIVATE SECURITY AUTHORITY

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 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.

A Board Evaluation of Performance was not undertaken in 2020 as the Board focussed on the implementation of the recommendations from the 2019 External Evaluation.

PRIVATE SECURITY AUTHORITY

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 represents the financial performance and the financial position of the PSA at 31 December 2020.

Board Structure

The current board was appointed by the Minister for Justice on the 9th November 2017. The list of Board members at 31st December 2020 is as follows;

Noel Lappin	Chairman
Padraic Cafferty	Employers Representative
Alan Durnan	Employers Representative
John Garry	Representative of the Minister for Justice
Sean Heading	Employee Representative
Geraldine Kelly	Legal Representative
Eilish McCormack	PSA Staff 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 2020, 4 of these meetings were by video conferencing. The table below summarises the attendance at these meetings:

NAME	27/01/2020	25/05/2020	20/07/2020	14/09/2020	30/11/2020
Noel Lappin	√	√	√	√	√
Padraic Cafferty	√	√	X	√	√
Alan Durnan	√	√	X	√	√
John Garry	√	√	√	√	X
Sean Heading	√	√	X	√	√
Geraldine Kelly	√	√	√	√	√
Eilish McCormack	√	√	X	√	√
A. Commissioner John O’Driscoll	√	√	X	√	√
Richard O’Farrell	√	√	√	√	√
David Smith	X	√	√	√	√
Christy Waters	√	√	X	√	√

PRIVATE SECURITY AUTHORITY

Audit and Risk Committee

The Audit and Risk Committee met on 4 occasions in 2020 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 2020 (2019: €58,140) as follows:

Board Member	2020	2019
	€	€
Noel Lappin	11,970.00	11,970.00
Padraic Cafferty	7,695.00	7,695.00
Alan Durnan	7,695.00	7,695.00
Sean Heading	7,695.00	7,695.00
Geraldine Kelly	7,695.00	7,695.00
Richard O'Farrell	7,695.00	7,695.00
Christy Waters	7,695.00	7,695.00
Eilish McCormack	--	--
David Smith	--	--
John Garry	--	--
John O'Driscoll	--	--

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.

PRIVATE SECURITY AUTHORITY

Employee Short-Term Benefits

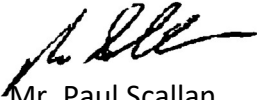
Employee Short-Term Benefits Breakdown in excess of €60,000			
Range of Total Employee Benefits		Number of Employees	
From	To	2020	2019
€60,000	- €69,999	3	3
€70,000	- €79,999	1	2
€80,000	- €89,999	1	1
€90,000	- €99,999	0	0
€100,000	- €110,000	1	1

	2020	2019
	€	€
Consultancy Costs		
- Consultancy services	13,501	94,061
- Public relations/marketing	119,948	223,807
- Other	20,915	30,399
Legal Costs		
- Legal fees	22,946	13,346
- Legal advice	11,809	11,471
Hospitality		
- Hospitality	3,001	920
Travel and Subsistence Expenditure		
- Board Members Domestic Travel	227	2,348
- Board Members International Travel	Nil	Nil
- Employees Domestic Travel	47,580	101,657
- Employees International Travel	Nil	6,520
CEO Salary/Travel and Subsistence		
- Salary	103,126	101,498
- Travel/Subsistence	1,797	7,872

PRIVATE SECURITY AUTHORITY

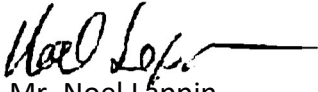
Statement of Compliance

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: 31st May 2021



Mr. Noel Lappin
Chairperson:

Date: 31st May 2021

PRIVATE SECURITY AUTHORITY

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 four times in 2020. 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 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. During 2020, we developed a Risk Appetite Statement which will help strengthen the control measures already in place.

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.

PRIVATE SECURITY AUTHORITY

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.

Procurement

During 2020, the PSA complied with current procurement rules and guidelines and adhered to the Department of Justice guidelines on the payment of invoices.

Covid 19 Pandemic

The onset of the Covid-19 pandemic in early 2020 did result in some changes to the working and control environment with remote and virtual working becoming the norm in the Private Security Authority. As a result, the Authority introduced a number of procedural and control changes. Under the Authority's risk and control framework, management carried out a full risk assessment of the Covid-19 impact on the control environment. We confirm that the controls both existing and those introduced as a result of Covid-19 continue to be effective.

PRIVATE SECURITY AUTHORITY

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 2020 was completed by the Audit and Risk Committee in 2021.

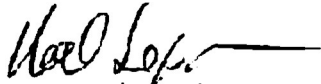
Internal Control Issues

No weaknesses in internal control were identified in relation to 2020 that require disclosure in the financial statements.



Mr. Paul Scallan
Chief Executive:

Date: 31st May 2021



Mr. Noel Lappin
Chairperson:

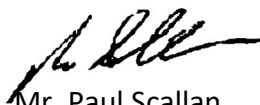
Date: 31st May 2021

PRIVATE SECURITY AUTHORITY

STATEMENT OF INCOME AND EXPENDITURE AND RETAINED REVENUE RESERVES FOR THE YEAR ENDED 31 DECEMBER 2020

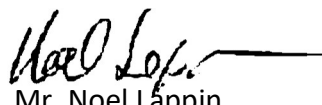
	Notes	€	2020 €	2019 €
INCOME				
Oireachtas Grant	2		3,285,045	3,324,885
Licence Fees	3		2,685,453	3,288,779
Inspectorate	16		800	1,854
			-----	-----
			5,971,298	6,615,518
Transfer from/(to) Capital Account	9		<u>74,782</u>	<u>(31,390)</u>
			6,046,080	6,584,128
EXPENDITURE				
Staff Costs	4	2,488,897		2,324,693
Administration	5	<u>864,308</u>		<u>969,887</u>
Total Expenditure		<u>3,353,205</u>		<u>3,294,580</u>
Surplus for the year before remittances			2,692,875	3,289,548
Remitted to the Department of Justice	3		(2,643,000)	(3,445,654)
Surplus/ (Deficit) for the year			49,875	(156,106)
Surplus brought forward			52,588	208,694
Surplus at 31 December			<u>102,463</u>	<u>52,588</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: 31st May 2021



Mr. Noel Lappin
Chairperson:

Date: 31st May 2021

PRIVATE SECURITY AUTHORITY

STATEMENT OF FINANCIAL POSITION AS AT 31 DECEMBER 2020

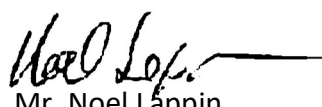
	Notes	€	2020 €	€	2019 €
TANGIBLE ASSETS					
Property, plant and equipment	6		137,279		212,061
CURRENT ASSETS					
Receivables	7	9,375		9,385	
Bank and cash		96,971		54,225	
Inventory		<u>12,429</u>		<u>5,290</u>	
			118,775		<u>68,900</u>
CURRENT LIABILITIES					
Payables	8		<u>16,312</u>		<u>16,312</u>
NET CURRENT ASSETS					
			<u>102,463</u>		<u>52,588</u>
TOTAL NET ASSETS					
			239,742		264,649
			=====		=====
LONG TERM LIABILITIES					
Capital Account	9		137,279		212,061
Income and Expenditure and Retained Earnings			102,463		<u>52,588</u>
			239,742		264,649
			=====		=====

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



Mr. Paul Scallan
Chief Executive:

Date: 31st May 2021



Mr. Noel Lappin
Chairperson:

Date: 31st May 2021

PRIVATE SECURITY AUTHORITY

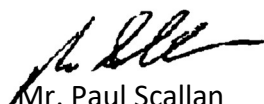
STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 31 DECEMBER 2020

Cash flows from operating activities	2020	2019
	€	€
Operating surplus/(deficit) for year	49,875	(156,106)
Depreciation of Tangible Assets	81,356	59,052
Transfer to Capital Account	(74,782)	31,390
Decrease/(Increase) in Inventory	(7,139)	(135)
(Increase)/Decrease in Receivables	10	(174)
Increase /(Decrease) in Payables	-	700
	-----	-----
Net cash inflow from operating activities	49,320	(65,273)
Cash flows from investing activities		
Payments to acquire property, plant and equipment	(6,574)	(90,442)
Increase/(Decrease) in cash and cash equivalents	42,746	(155,715)
	=====	=====

STATEMENT OF CHANGES IN NET FUNDS

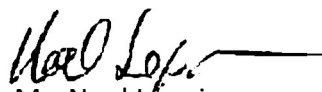
	2020	2019
	€	€
Net funds at 1 January	54,225	209,940
Net funds at 31 December	<u>96,971</u>	<u>54,225</u>
Increase/(Decrease) in Cash	42,746	(155,715)
	=====	=====

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



Mr. Paul Scallan
Chief Executive:

Date: 31st May 2021



Mr. Noel Lappin
Chairperson:

Date: 31st May 2021

PRIVATE SECURITY AUTHORITY

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2020

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.

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 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. OIREACTHAS 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 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%

PRIVATE SECURITY AUTHORITY

	2020	2019
	€	€
2. OIREACTAS GRANT		
Sub-Head B16 of Vote 24 – Justice	3,285,045	3,324,885
- for pay and general administration costs		

3. LICENCE FEES

The licensing cycle is a two-year cycle for contractors, and a three-year cycle for individuals, with the majority of contractors falling due for renewal in year 1 and the majority of individuals falling due for renewal in year 2 of the 3 year cycle. Individual applicants are greater in number but give rise to less licence fee income. The Authority’s fee income, therefore, fluctuates in line with the licensing cycle.

Remittance to the Department of Justice

	2020	2019
	€	€
Licence fees received in prior period due to be remitted as at start of year	54,088	209,881
Bank charges in the year	(631)	(772)
Licence fee income in the year	2,685,453	3,288,779
Inspectorate Income	800	1,854
Remitted to the Department of Justice	<u>(2,643,000)</u>	<u>3,445,654</u>
Amount due to be remitted at end of year	96,710	54,088
	=====	=====

4. STAFF COSTS

	2020	2019
	€	€
Salaries and wages	2,441,090	2,214,169
Travel and subsistence - national	47,807	104,004
Travel and subsistence - international	0	6,520
	-----	-----
	2,488,897	2,324,693

The Authority employed **52** staff at 31 December 2020 (2019: 50).

PRIVATE SECURITY AUTHORITY

	2020	2019
	€	€
5. ADMINISTRATION		
Consultancy services	13,501	94,061
Legal advice	11,809	11,471
Audit fee	11,700	11,700
Accountancy fee	4,612	4,612
Public Relations / Marketing	119,948	223,807
Other	20,915	30,399
General		
Office expenses	84,113	85,095
Authority members' fees	58,140	58,140
Communications costs	119,402	157,316
Licensing costs	67,084	68,013
Depreciation	81,356	59,052
Repairs & maintenance	3,895	16,294
External Inspectors	-	5,700
Other IT costs	223,298	127,492
Legal Costs		
Legal fees	22,946	13,346
Hospitality		
Hospitality	3,001	920
Appeals Board		
	18,588	2,469
	<hr/>	<hr/>
	864,308	969,887

PRIVATE SECURITY AUTHORITY

6. PROPERTY, PLANT AND EQUIPMENT

	Furniture & Fittings	IT Equipment	Online Renewal System	Office Equipment	Total
	€	€	€	€	€
COST					
At 1 January	799	504,249	392,905	34,806	932,759
Additions	0	6,574	0	0	6,574
Disposals	(799)	(767)	0	(379)	(1,945)
At 31 December	0	510,056	392,905	34,427	937,388
ACCUMULATED DEPRECIATION					
At 1 January	799	504,097	184,818	30,984	720,698
Charge for year	-	1,319	80,037	0	81,356
Disposals	(799)	(767)	0	(379)	(1,945)
At 31 December	0	504,649	264,855	30,605	800,109
NET BOOK VALUE					
At 31 December	0	5,407	128,050	3,822	137,279
	=====	=====	=====	=====	=====
At 1 January	0	152	208,087	3,822	212,061
	=====	=====	=====	=====	=====

PRIVATE SECURITY AUTHORITY

7. RECEIVABLES

	2020	2019
	€	€
Prepayments	9,375	9,385
	=====	=====

8. PAYABLES

	2020	2019
	€	€
Audit fee	11,700	11,700
Accountancy fee	4,612	4,612
	-----	-----
	16,312	16,312
	=====	=====

9. CAPITAL ACCOUNT

	2020	2019
€	€	€
Opening Balance	212,061	180,671
Additions	6,574	90,442
Amortisation	(81,356)	(59,052)
	-----	-----
Transfer from/(to)Statement of Income and Expenditure	<u>(74,782)</u>	<u>31,390</u>
Balance as at 31 December	<u>137,279</u>	<u>212,061</u>

PRIVATE SECURITY AUTHORITY

10. RETIREMENT BENEFIT COSTS

All of the Authority's staff have been seconded from the Department of Justice. Pension costs 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.

12. ADDITIONAL SUPERANNUATION CONTRIBUTIONS

Salary costs included in this account are the gross costs to the Authority for the period. The Department of Justice pays salaries on behalf of the Authority. Additional Superannuation Contributions, as per Section 4 of the Public Service Pay and Pensions Act 2017, are made by the Department and are retained as Appropriations-in-Aid for that Department. This amounted to €66,810 in 2020 (2019: €66,337).

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 2020 was made up of an annual basic salary of €103,126 (2019: €101,498). In addition the Chief Executive received €1,797 in respect of travel and subsistence expenses in 2020 (2019: €7,872) 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 2020.

16. INSPECTORATE FEES

Inspectorate fees consist of fines for non-compliance with the Authority's regulations and amounted to €800 in 2020 (2019: €1,854). These fees are accounted for in licence fee income.

17. APPROVAL OF FINANCIAL STATEMENTS

These accounts were approved by the Authority on 31st May 2021.