

## Compliance in the Private Security Industry

Non-compliance with regulation has always been a thorn in the side of reputable security service providers and governing bodies alike. With more than 8000 registered security companies, the industry is under serious threat from non-compliance by fly-by-night security companies, who use various means of avoiding statutory costs and exploit the labour force. All of these exploitation factors lead to serious employee dissatisfaction, which reduces the level of security awareness and dedication. **This is ultimately to the detriment of the consumer.**

While there is adequate legislation controlling the private security sector, unscrupulous operators are continuously finding means to circumvent minimum standards, in order to gain an unfair advantage over professional and compliant security service providers. Many reputable consumers of security services are unwittingly entering into contracts with non-compliant security providers. SASA believes that with growing awareness, no reasonable company will wish to associate itself with such unscrupulous organisations.

The Security Association of South Africa (SASA) has issued a warning to companies that may be entering into contracts with non-compliant security providers. SASA has appealed to these establishments to carry out a **thorough due diligence** on security services providers upon appointment and on an ongoing basis thereafter, to ensure that they are not unwittingly being party to illegal and unethical practices and employee exploitation. Very few consumers of security services are **aware of the implications** of contracting to a non-compliant entity:

### Clause 38(3)(g) of the PSIRA Act stipulates:

*"Any person who knowingly or without exercise of reasonable care contracts for the rendering of security services contrary to a provision of this Act is guilty of an offence, and on a conviction of a contravention, is liable to a fine or to imprisonment for a period not exceeding 24 months, or to both a fine and such imprisonment".*

### The Cost of Non-Compliance

#### The consequences of hiring non-compliant security companies include:

- Security Officers on your site, who are poorly trained and unable to perform their duties properly
- Security Officers on your site, who are underpaid, and vulnerable to the temptation of criminal collusion
- Heavy financial penalties or **jail time, for consumers** who continue to transgress the Private Security Industry Regulatory Authority (PSIRA) Act

### What your Security Service Provider must be able to show compliance with

Consumers of security services have every right to request proof of compliance from a service provider of:

- Basic Conditions of Employment Act
- Environmental Conservation Act
- Private Security Industry Regulating Act
- National Minimum Wage Act **(to be implemented 1 May 2018)**
- National Environmental Management Act
- Labour Relations Act
- Skills Development Act
- Employment Equity Act
- Occupational Health and Safety Act

- Occupational Injuries and Diseases Act
- Workman's Compensation Act
- SARS Tax Clearance
- Security Sector Provident Fund Letter of Good Standing (***less than 30% of security service providers are compliant!***)
- Proof of submission of Employment Equity Plan to the Department of Labour
- PSIRA registration of Directors

### **New National Minimum Wage Act Implementation**

On the 1<sup>st</sup> May 2018, the new National Minimum Wage Act (NMWA) will be replacing the Sectoral Determination in the private security industry. The rate of remuneration for Grade C Security Officers will be R20-00 per hour, irrespective of geographic location. This has the largest effect on the current Labour Area's 2/3, with an increase of 22%. The impact will be hugely positive for the lower income earners in the rural areas.

### **Latest Non-Compliance Trends**

Whilst it is known that labour broking and the use of independent contractors is forbidden, a new trend has developed, that of so-called "learnerships". These all create high margin opportunities for business, to the detriment of the Security Officer.

### **The Solution**

As world-class professional body, SASA supports industry compliance and seeks to provide awareness and support for businesses in South Africa. As criteria for membership, SASA's members must be **fully compliant with all industry and national legislation**, and have supporting documentation, which is independently verified.

**Thorburn Security Solutions is a SASA Gold Member**, which demonstrates our compliance to the above and gives the assurance that our clients contract to a law abiding, ethical and professional security brand.