



National  
Nuclear  
Regulator



Protection of the  
environment benefits  
people, nature and all  
who live in t.

ANNUAL REPORT  
2021-22



# Presentation Outline

- Legislative Framework and Mandate
- 2021/22 Organisational Performance Outcomes
- 5 Years Performance Trends
- Service Delivery Environment
- Institutional Impact
- Annual Performance Information Report
- Financial Report
- Audit Outcomes



# Legislative Framework and Mandate

- Constitution of the Republic of South Africa of 1996(Act No. 108 of 1996)
- Nuclear Energy Act (Act No. 46 of 1999) (NEA)
- National Nuclear Regulator Act (Act No. 47 of 1999)
- Public Finance Management Act (Act No. 1 of 1999) (PFMA)
- National Treasury Regulations
- National Environmental Management Act (Act No. 107 of 1998) (NEMA)
- Promotion of Administrative Justice Act (Act No. 3 of 2000) (PAJA)
- Promotion of Access to Information Act (Act No. 2 of 2000) (PAIA)



## 2021/22 Organisational Performance

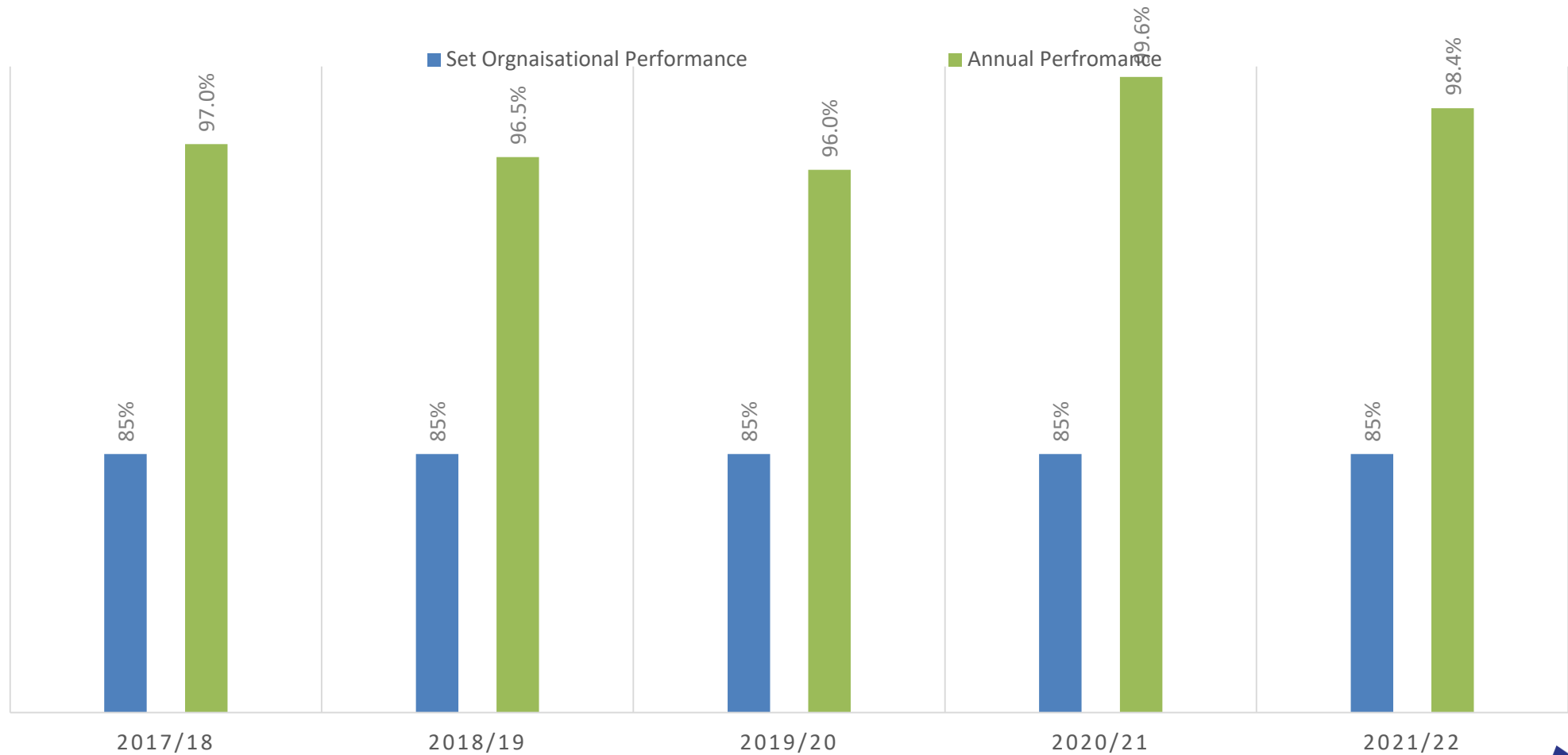
- ✓ NNR APP contained 16 outcomes and 18 output indicators.
- ✓ Based on the PoE verified the organisation achieved a performance score of **98.39%**

Red (non-achievement registered below 85% target)	2 indicators were not achieved
Amber (85-99% achievement to target)	1 indicator was partially achieved
Green (100% achievement of target)	15 indicators were achieved
Grey (set aside / not applicable)	N/A



# 5 Year Performance Trend

5 YEARS PERFORMANCE TREND





## Service Delivery Environment

1. The NNR operating environment was stable as the country's economy was in the recovery process, which impacted the NORM regulated facilities the most.
2. The core business such as inspections and site visits to regulated facilities were conducted as planned.
3. The Regulator was also able to process the reviews and assessments of various applications and change requests from operators as per the annual performance plan.
4. The public engagement sessions for the Nuclear Installation Site License (NISL) project in Thyspunt were successfully concluded during 2021/22.
5. The NNR continued to work on a hybrid system to manage the COVID-19 spread i.e., 3 days in the office and 2 days work from home.
6. The CEO resignation towards the end of the financial year, somehow shielded the organisation from any disturbance that could hamper the organisation's goals.
7. The Regulator continued with the payment of suppliers and vendors below 10 days.
8. The media focus on the regulator, was mainly on the ongoing matter in court regarding the suspension and subsequent dismissal of one Boar member by the Minister of Mineral Resources and Energy.



## Progress towards achievement of institutional impact and outcomes

1. SANAS reviewed the laboratory quality manuals as part of the accreditation assessment for the Gamma Spectrometry: Water Matrices.
2. The NNR planned 199 inspections across the 3 programmes and 204 inspections were conducted.
3. Additional 166 reviews and assessments were undertaken; this can be attributed to improvements in turnaround times.
4. The development of the compliance assurance programme process was reviewed to ensure alignment.
5. The NNR developed the Indoor Radon Regulatory Framework which contains practical approaches for South Africa to effectively control the indoor radon with the aim to reduce public exposure. The framework will be finalised in 2022-23 FY.



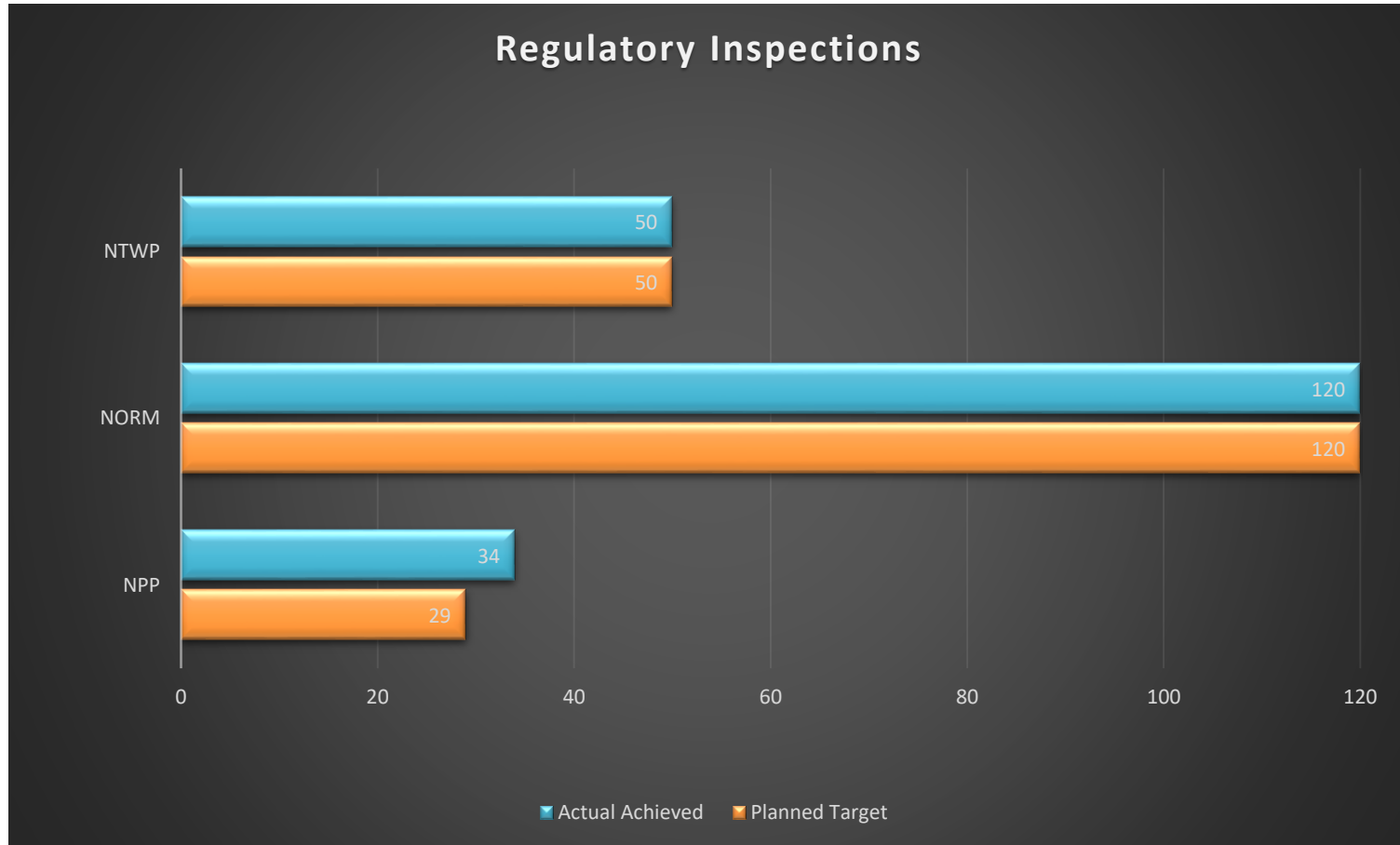
## Progress towards achievement of institutional impact and outcomes

6. To ensure an effective LTO oversight, NNR employees were trained on various areas such as
  - ✓ Regulatory frameworks applicable to the LTO
  - ✓ US NRC renewal standard and practices
  - ✓ Eskom documentation applicable to the LTO
  - ✓ Technical assessment guides
7. A CNSS Sustainability Strategy was developed to crystalize the sustainability objectives and to incorporate pilot projects and proposals that are aligned to the mandate of the CNSS.
8. The Cape Town office Construction project plan was revised to mitigate the delays experienced in the prior year to make way for the construction of the site office in 2022-23.



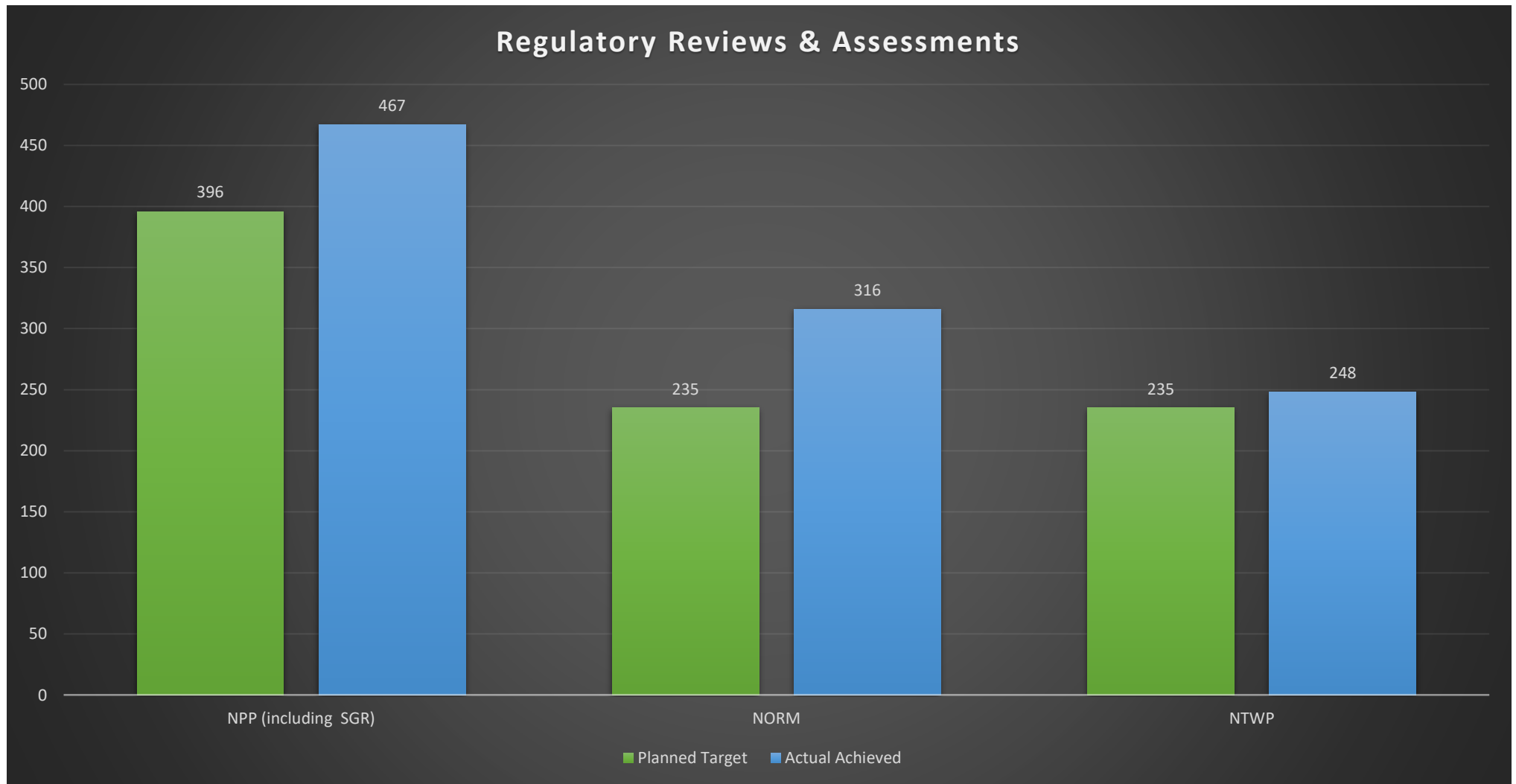


# Annual Performance Information Report





# Annual Performance Information Report





# Annual Performance Information Report

Programme / Sub-programme: Regulatory Improvement & Technical Services (RITS)								
Outcome	Output	Output Indicator	Audited Actual Performance 2019/2020	Audited Actual Performance 2020/2021	Planned Annual Target 2021/2022	**Actual Achievement 2021/2022	Deviation from planned target to Actual Achievement 2021/2022	Reasons for deviations
Provide an independent radio-analytical verification capability and capacity	SANAS Accreditation Report	RM1: SANAS Accreditation Gamma Spec: (Soil/Sediment ISO/IEC 17025:2017)	SANAS Assessment Report outstanding	SANAS accreditation application form submitted successfully	SANAS Accreditation Report	SANAS accreditation report received	None	Not applicable
Ensure readiness to regulate SMRs	Approved Benchmark Report	RM5: Conduct benchmark study on SMRs regulation	None – new indicator	None – new indicator	Benchmark report on SMRs regulation	Benchmark report compiled and approved	None	Not applicable
Ensure the long-term sustainability of the CNSS	Approved sustainability strategy	RM6: Develop CNSS sustainability strategy	Approved CNSS Sustainability Plan	Integrated CNSS Sustainability Plan developed and approved	Approved CNSS sustainability strategy	CNSS sustainability strategy compiled and approved	None	Not applicable
Provide a framework for securing and managing information and intellectual property emanating from CNSS activities	Framework on management of information and intellectual property emanating from regulatory research and development	RM7: Develop framework for CNSS intellectual property	None – new indicator	None – new indicator	Approved framework on management of information and intellectual property for the CNSS	Framework on management of information and intellectual property for the CNSS approved	None	Not applicable



# Annual Performance Information Report- contd

Programme: Regulation of Nuclear Technology NTWP & NORM (NTN) - Programme: Regulation of Nuclear Power Plant (NPP)								
Outcome	Output	Output Indicator	Audited Actual Performance 2019/2020	Audited Actual Performance 2020/2021	Planned Annual Target 2021/2022	**Actual Achievement 2021/2022	Deviation from planned target to Actual Achievement 2021/2022	Reasons for deviations
Provide and implement an effective approach towards compliance assurance	Approved process for the development of the CAP	RM2: Update process for developing the Compliance Assurance Program (CAP)	None – new indicator	None – new indicator	Approved process for the development of the CAP	Process for the development of the CAP updated and approved.	None	Not applicable
Maintain the implementation of regulatory programmes to assure effective nuclear and radiation safety.	Inspection reports  Letters to authorisation holder or applicant informing them of inspection outcomes	RM3a: Number of inspections conducted  (NORM, NTWP and NPP)	100,30% of the CAP	100.58%  (172/171 inspections conducted)	199 inspections conducted	204 inspections conducted	5	5 (+2.51%) additional inspections were conducted - during regulatory oversight it sometimes becomes important to conduct additional unplanned inspections. These are done to provide assurance of compliance in specified areas as per whatever the routine reports or regulatory audits would have identified as requiring further inspection. <b>(102.51%)</b>  (NPP 34/29-117.24%, NORM 120/120-100% NTWP 50/50- 100%)



# Annual Performance Information Report- contd

Programme: Regulation of Nuclear Technology NTWP & NORM (NTN) - Programme: Regulation of Nuclear Power Plant (NPP)								
Outcome	Output	Output Indicator	Audited Actual Performance 2019/2020	Audited Actual Performance 2020/2021	Planned Annual Target 2021/2022	**Actual Achievement 2021/2022	Deviation from planned target to Actual Achievement 2021/2022	Reasons for deviations
Maintain the implementation of regulatory programmes to assure effective nuclear and radiation safety.	Letter to authorisation holder or applicant informing them of review and assessment outcomes	RM3b: % Implementation of reviews and assessments per plan (NORM, NTWP and NPP)	115.49% reviews and assessments per programme	116.44% (970/833 reviews and assessments undertaken)	100% implementation of reviews and assessments	119.05 % of reviews and assessments implemented (1031/866 (NPP 467/396- 117.92% NORM 316/ 235 - 134.47%, NTWP 248/235 - 105.53%)	+19.0%	Reasons for over achievement in this instance vary. In some cases it is because the complexity of some of the reviews and assessments did not require as much time to attend to as had been anticipated, and/ or that because of work from home, productivity was increased during the FY, and/ or that staff members have grown in work experience and can move more swiftly through the work, and/or that staff members in a particular area have increased in number during the FY, and/or that some reviews and assessments were done with the help of the Technical Support Organisation (TSO).



# Annual Performance Information Report- contd

Programme: Regulation of Nuclear Technology & NORM (NTN)								
Outcome	Output	Output Indicator	Audited Actual Performance 2019/2020	Audited Actual Performance 2020/2021	Planned Annual Target 2021/2022	**Actual Achievement 2021/2022	Deviation from planned target to Actual Achievement 2021/2022	Reasons for deviations
Maintain the implementation of regulatory programmes to assure effective nuclear and radiation safety	Approved indoor radon regulatory framework	RM3c: Develop indoor radon regulatory framework	Developed Framework and the funding proposal document	Benchmark conducted, report compiled and approved	Approved indoor radon regulatory framework	Framework under review	-40%	Drafting delays due to engagements with internal experts impacted timelines.
Programme: Regulation of Nuclear Power Plant (NPP)								
Provide an effective oversight of the Long-Term Operation (LTO)	Approved LTO training records (certificates, attendance register, training materials)	RM4: % Implementation of the LTO training plan	None – new indicator	Resource plan for LTO developed and approved	100% implementation of the LTO training plan	100% of the LTO training plan implemented	None	Not applicable



# Annual Performance Information Report- contd

Programme: Corporate Support Services								
Outcome	Output	Output Indicator	Audited Actual Performance 2019/2020	Audited Actual Performance 2020/2021	Planned Annual Target 2021/2022	**Actual Achievement 2021/2022	Deviation from planned target to Actual Achievement 2021/2022	Reasons for deviations
Promote nuclear safety awareness (role of the NNR)	Annual plan  Quarterly reports	RM8: % Implementation of the nuclear safety awareness programme	None – new indicator	None – new indicator	100% implementation of the nuclear safety awareness programme	Nuclear safety awareness programme fully implemented	None	Not applicable
Develop and implement a stakeholder relationship management plan	Stakeholder relationship management plan  Quarterly reports	RM9: % Implementation of the stakeholder relationship management plan	None – new indicator	None – new indicator	100% Implementation of the stakeholder relationship management plan	Stakeholder relationship management plan fully implemented	None	Not applicable
Develop and implement an ISO: 27001 aligned ICT Security Plan	Quarterly reports  ISO: 27001 plan	PM1: % Implementation of the ISO: 27001 plans	None – new indicator	None – new indicator	100% Implementation of the ISO: 27001 plan	ISO: 27001 plan fully implemented	None	Not applicable
Develop and implement a Protection of Personal Information Act (POPIA) compliance plan	POPIA compliance plan  Quarterly reports	PM2: % Implementation of the POPIA plan	None – new indicator	None – new indicator	100% implementation of the POPIA plan	POPIA plan fully implemented	None	Not applicable



# Annual Performance Information Report- contd

Programme: Legal, Risk and Compliance								
Outcome	Output	Output Indicator	Audited Actual Performance 2019/2020	Audited Actual Performance 2020/2021	Planned Annual Target 2021/2022	**Actual Achievement 2021/2022	Deviation from planned target to Actual Achievement 2021/2022	Reasons for deviations
Ensure proactive management of potential litigation	Legislative Compliance Reports	PM3: Number of Legislative Compliance Reports	None – new indicator	None – new indicator	4 Legislative Compliance Reports	4 legislative compliance reports compiled and submitted to ARMCOM	None	Not applicable
Programme: Finance								
Adequate funding for execution of NNR mandate	Approved budget; Finance quarterly report	FM1: % Funding of NNR planned activities	None – new indicator	None – new indicator	100% Funding of NNR planned activities	NNR planned activities fully funded	None	Not applicable
Financial sustainability of the CNSS	Approved CNSS funding model	FM2: Develop funding model of the CNSS	90% Report awaiting ministerial approval	The proposed fee structure for the costing of CNSS services was developed and approved	Approved funding model of the CNSS	CNSS funding model approved	None	Not applicable
Inclusion of previously disadvantaged individuals in economic activities	Supply Chain Management (SCM) report on bids awarded to targeted groups	FM3: % Procurement spent on designated groups	164% procurement spend on designated groups	63% of procurement spent on designated groups in terms of the PPPFA	70% of procurement spent on designated groups	68% of procurement spent on designated groups	-2.86%	Shortfall caused by the stay in procurement due to the High Court judgement on PPPFA regulations of 2017
Provision of adequate and safe facilities for the site office.	Project plan Project report	PM4: % Implementation of the Cape Town office construction project plan	None – new indicator	None – new indicator	100% Implementation of Cape Town Office construction project plan	9/12 key activities implemented	-25%	Project schedule delays due to change of professional services team. Activities to be carried over to 2022-23 FY



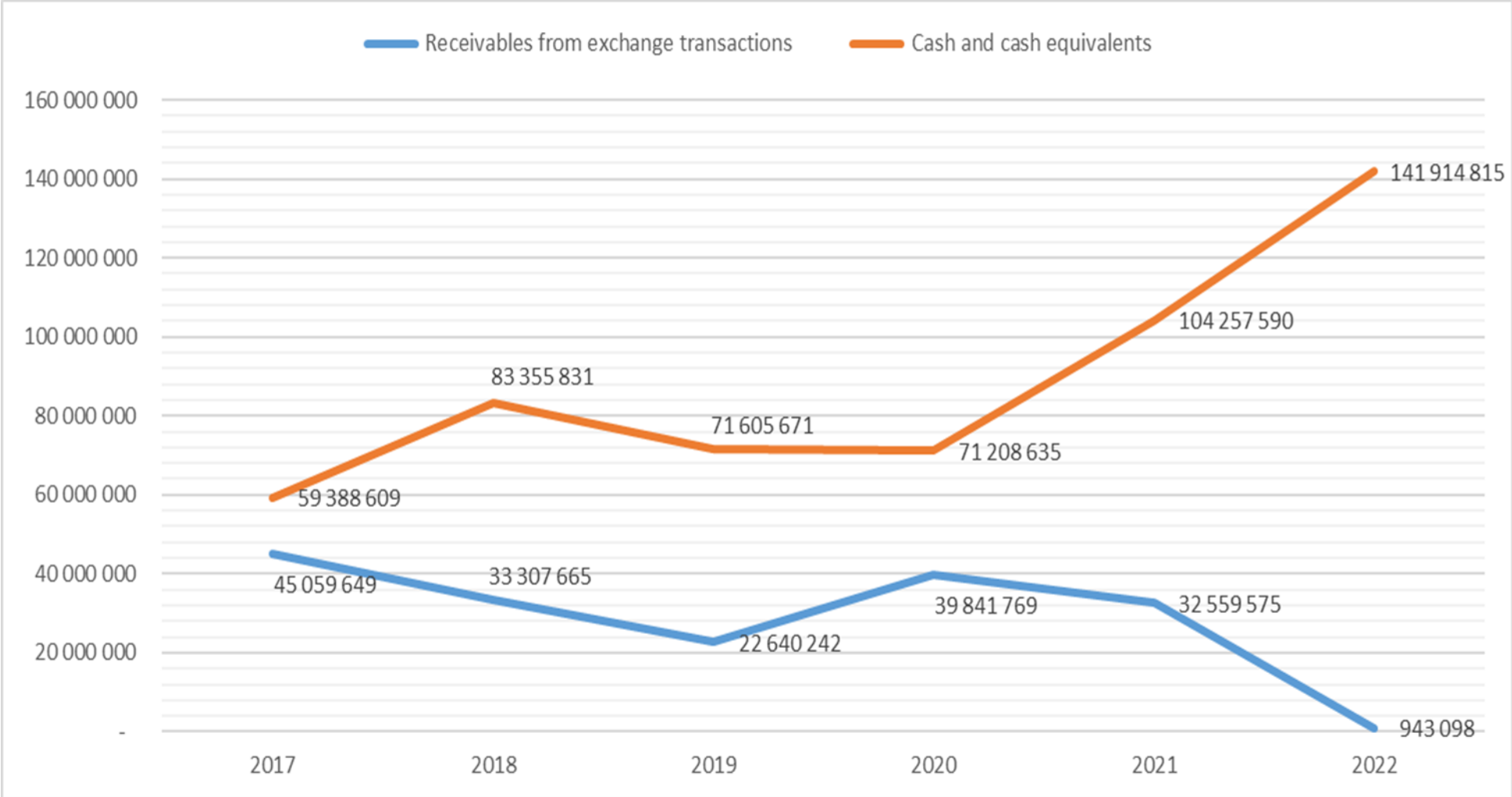


# Financial Report





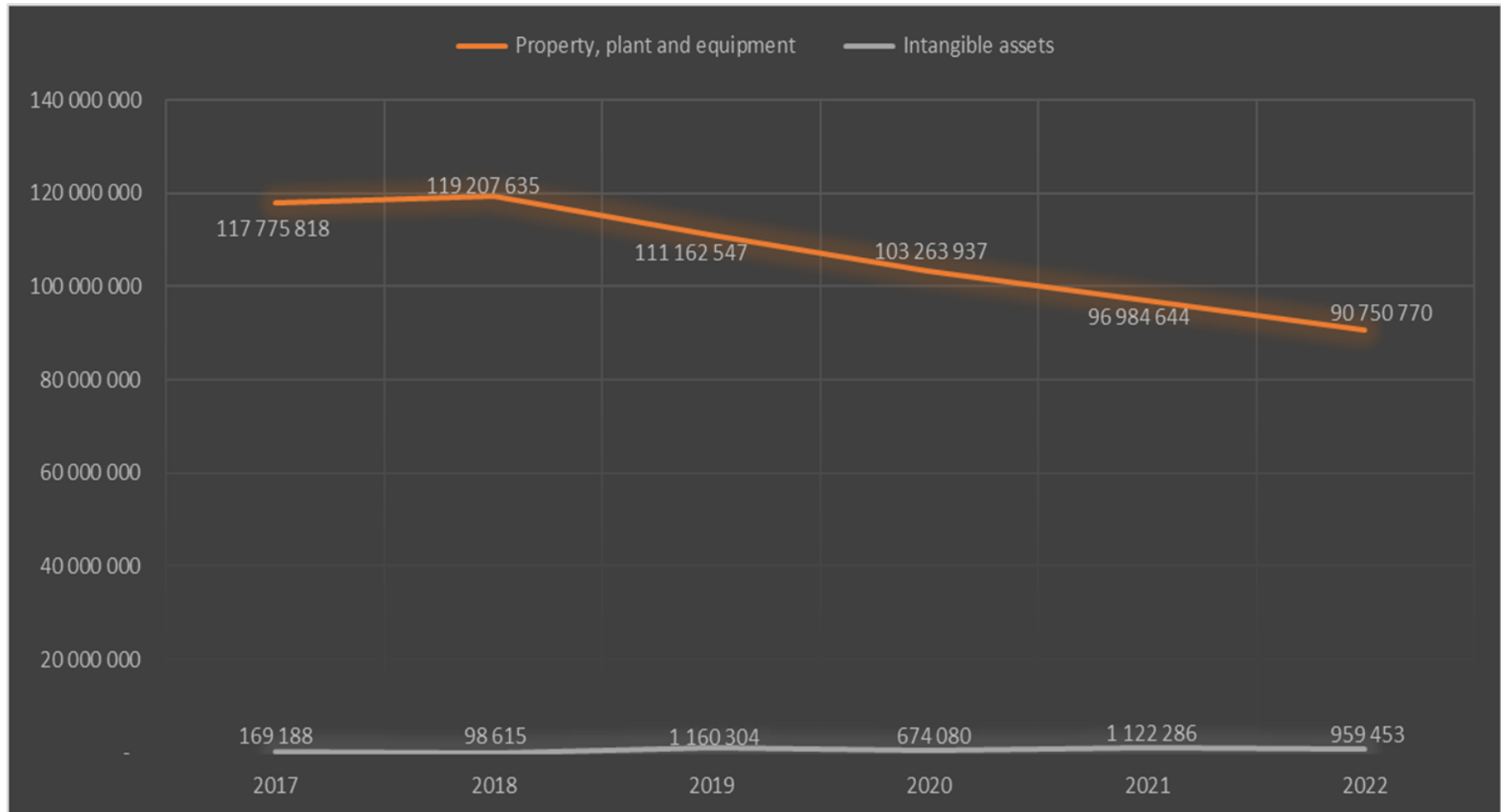
# Current Assets



The NNR’s cash balances for the year increased to R142 million due reserves build up the provide for Cape Town office construction. R28 million of receivables were impaired in line with the accounting policy but efforts to collect continues where there are prospects for success and legally permissible.



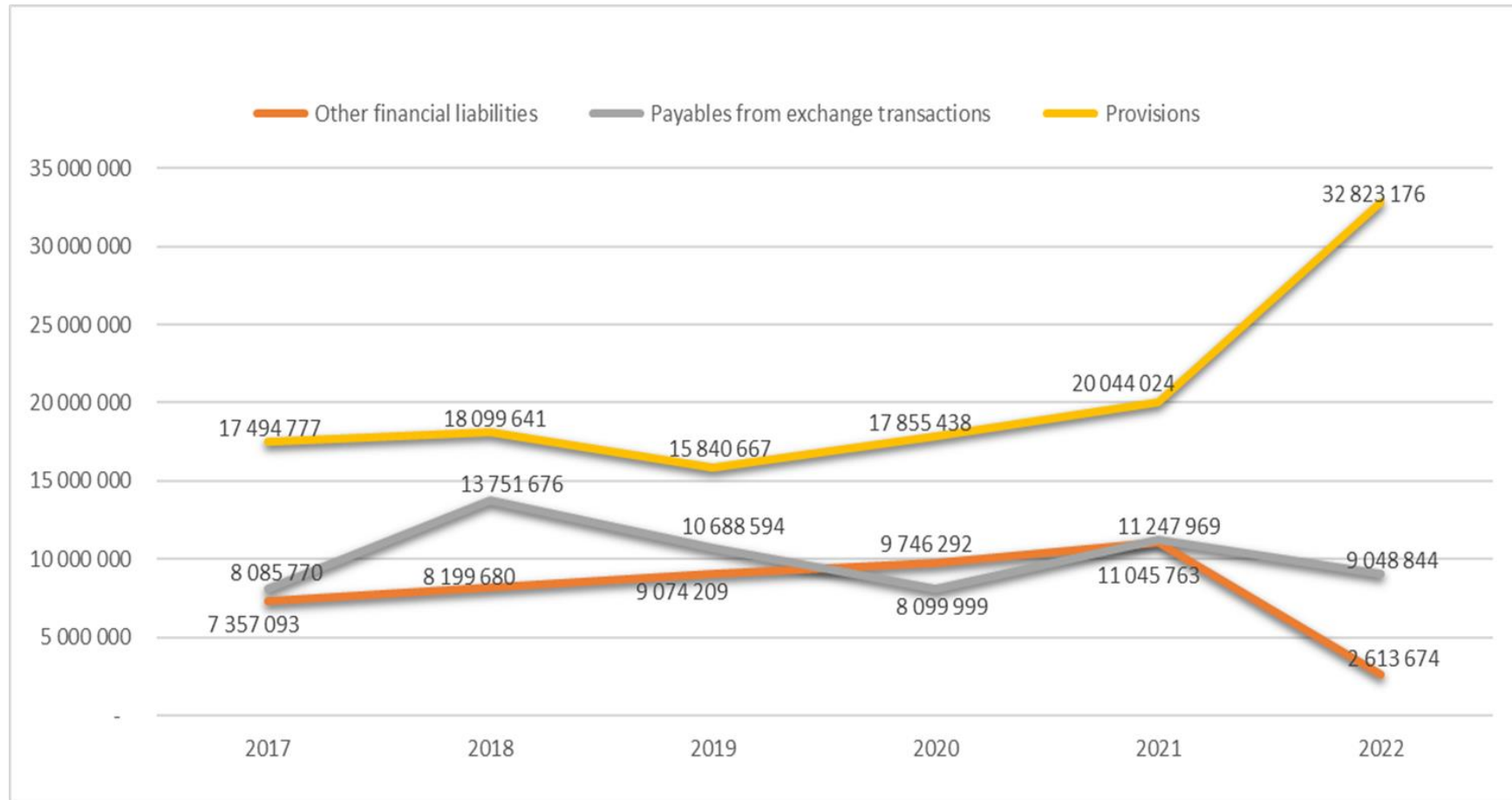
# Non-Current Assets



The decline in PPE represents the net effect of assets acquisitions, depreciation and disposals for the year.



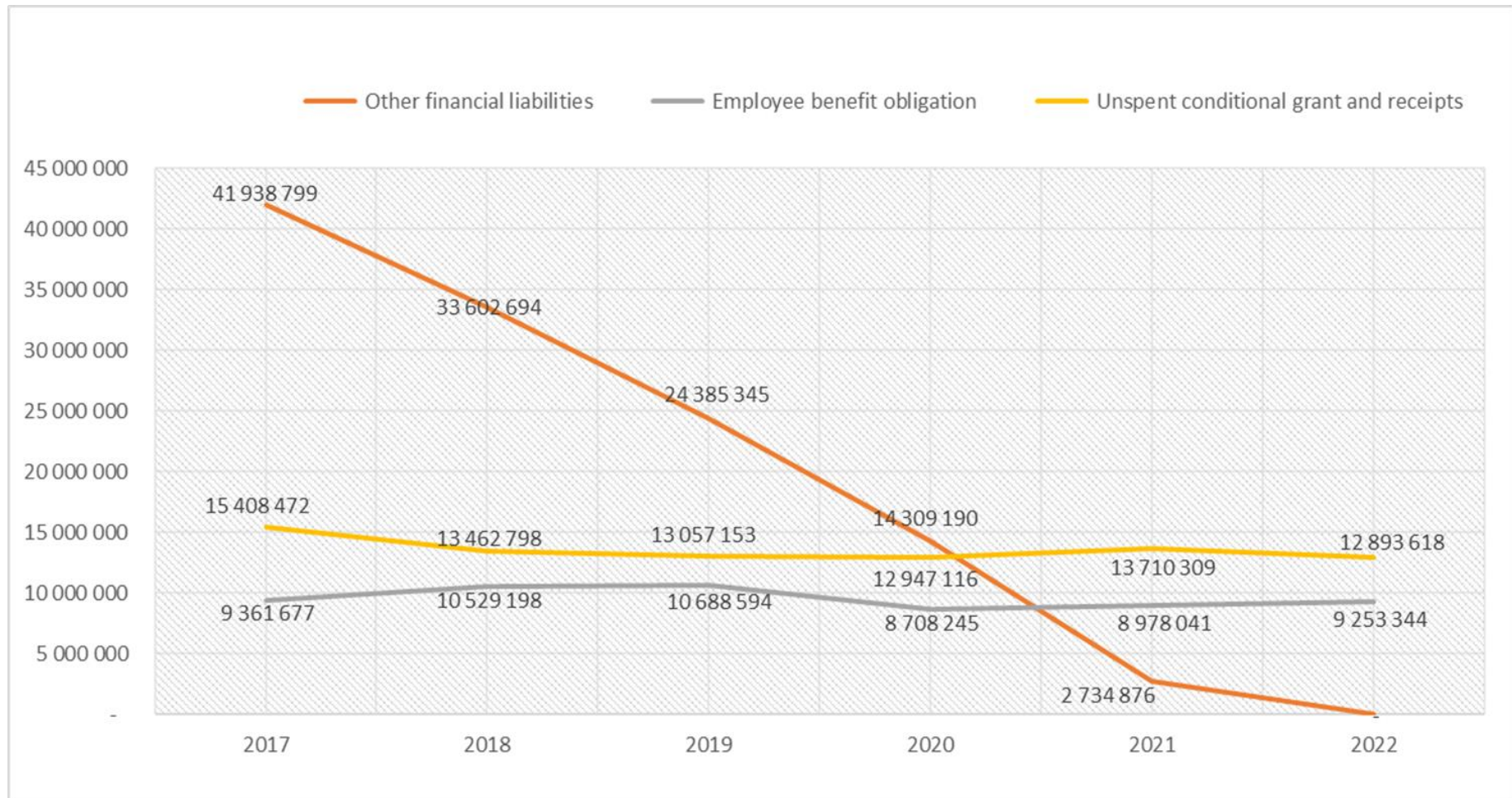
# Current Liabilities



The spike in provisions was related performance incentives in line with the policy, the pay-out was however implemented at R20 million as approved by Board with due consideration to other priorities such as construction of Cape Town office which is underway. The financial liability represents the liability on Centurion office outstanding liability at year end.



# Non-Current Liabilities

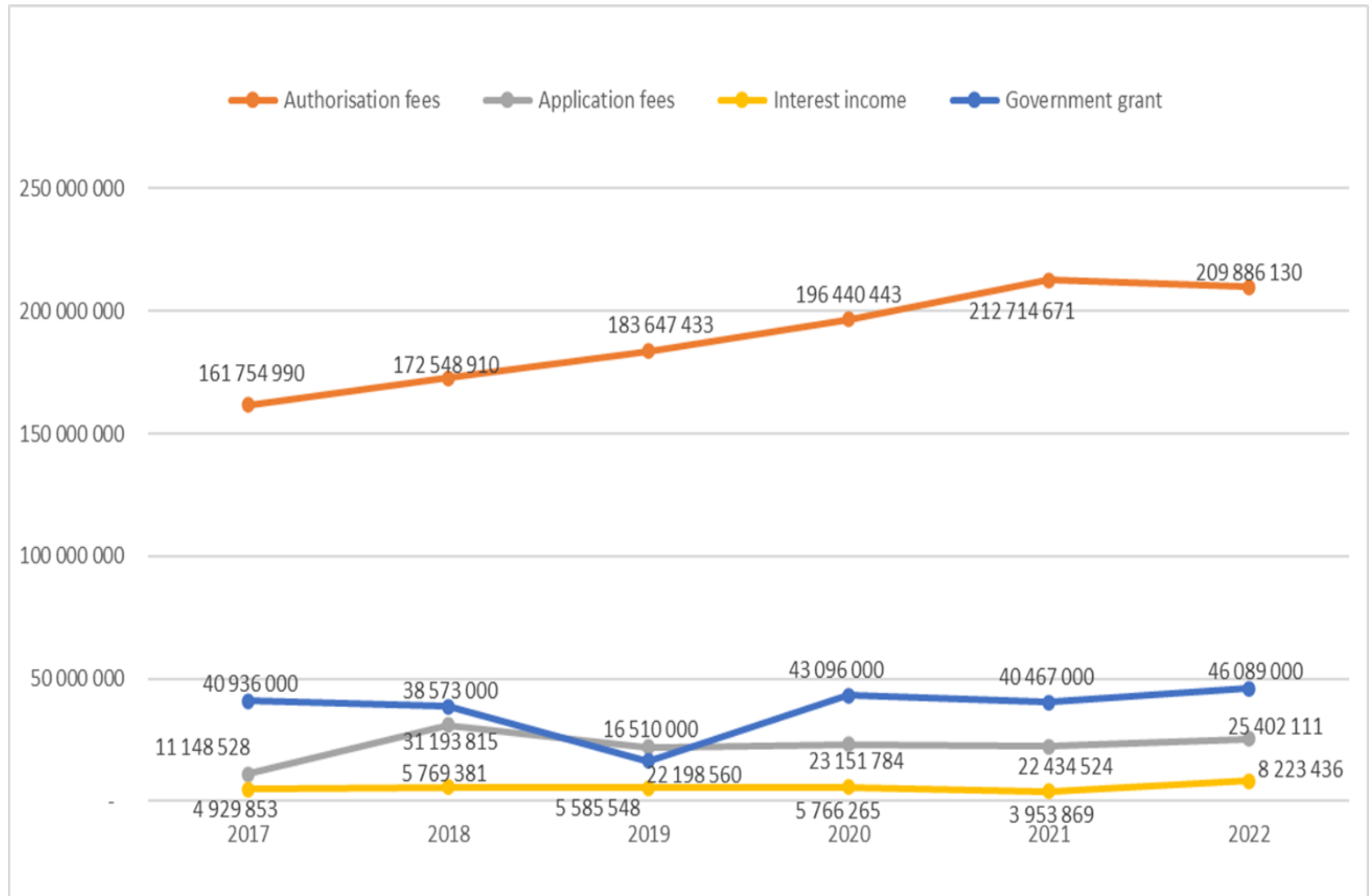


The other financial liability the reduce to Nil during the year under review relates to the Bond for Centurion HQ building the was subsequently settled in June 2022. The rest of liabilities are stable and provided for where applicable.



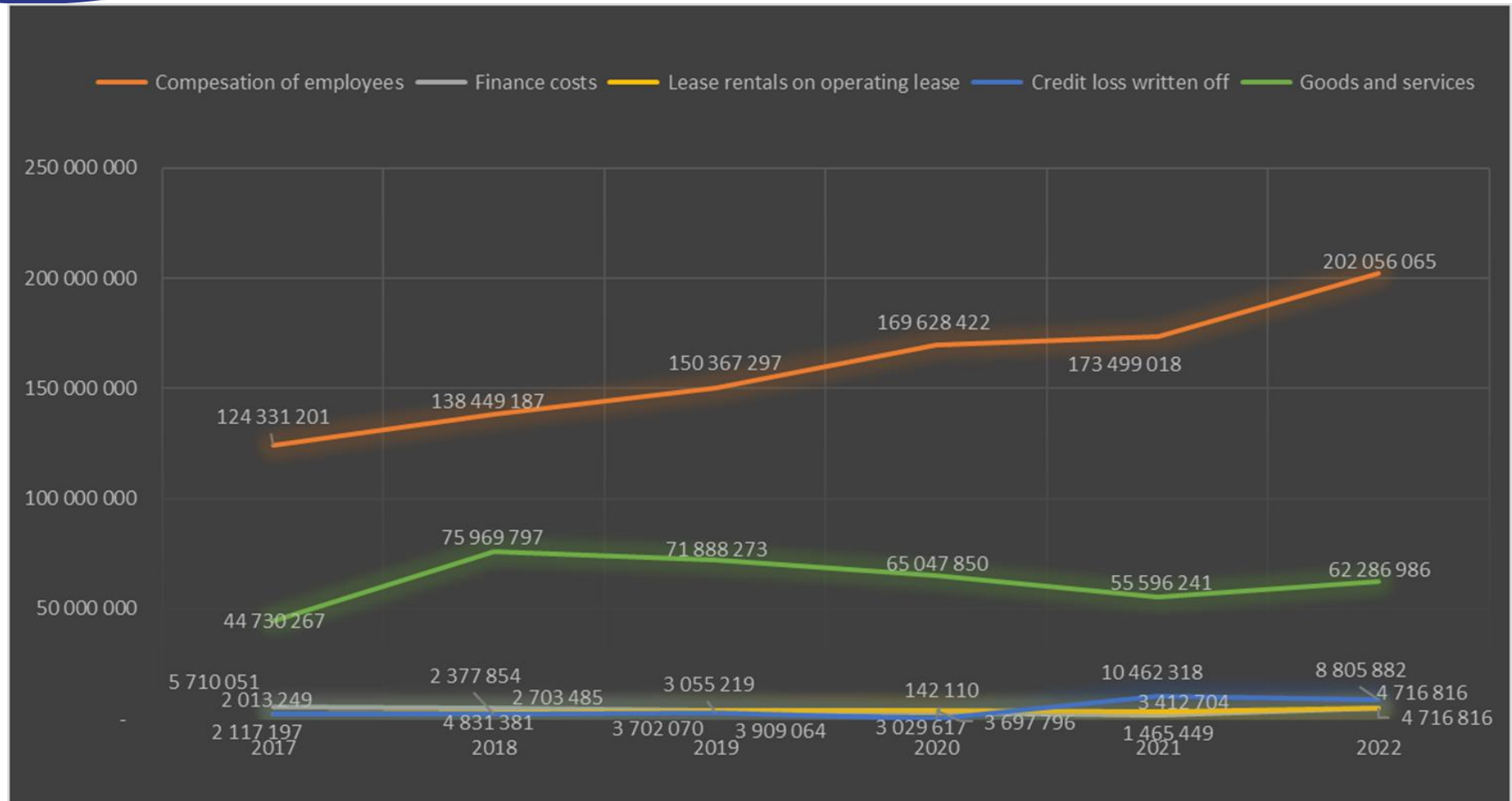
# Revenue Trends

- The NNR’s revenue has been growing at a modest rate over the MTEF period
- The 2021/22 financial year total revenue of R291 million is equivalent to 3.5% increase compared to R281 million reported in the previous financial year
- Authorisation fees declined by 1.3% from the previous year mainly due to reduction in number of licensees and lower annual increase for the year under review as approved by the Minister





# Expenditure Trends



Compensation of employees increase by about 16% from the previous financial year, 12% of this is performance incentive paid while the remaining 4% is the marginal increase of salaries through cost of living adjustments and additional positions filled. Expenditure on goods and services increased by about 13% as the operations gain momentum from Covid 19 constrains.



# Audit Outcomes

	Financial Year				
	2017/18	2018/19	2019/20	2020/21	2021/22
Audit Outcome	Unqualified Opinion with 2 findings	Unqualified Opinion with 1 finding	Unqualified Opinion with 1 finding	Unqualified Opinion with 1 finding	Unqualified Opinion with no finding





End..

Ri a Livhuwa

Re a Leboga

Enkosi

Siyabonga

Inkomu