



NATIONAL NUCLEAR REGULATOR

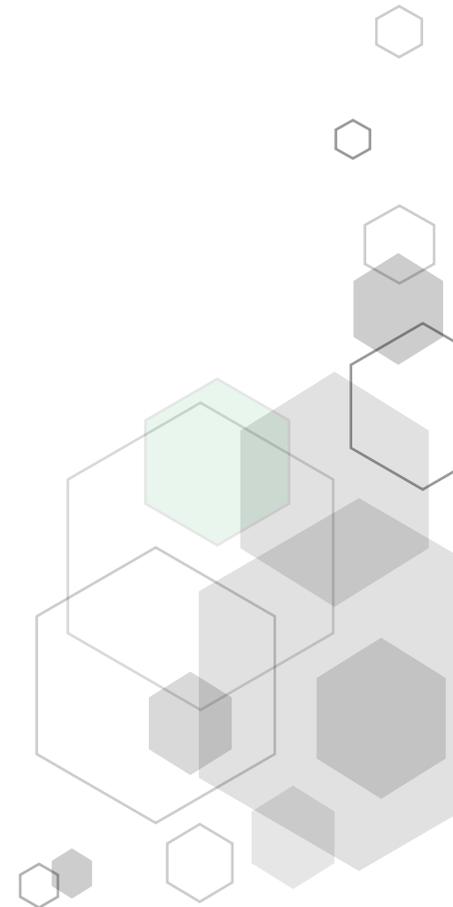
For the protection of persons, property and the environment against nuclear damage.

STRATEGIC PLAN 2018 – 2023



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EXECUTIVE SUMMARY

The National Nuclear Regulator (NNR) develops and publishes a Strategic Plan in line with the Framework for strategic plan and Annual Performance Plans for state-owned entities/companies. This Strategic Plan stipulates the aspirations and priorities of the Regulator in the short, medium and long term. The priorities are delineated into goals and objectives in order to address the breadth of the organisation's mandate. Although the strategy covers a period of five years, it is reviewed annually to test its relevance against the ever-changing landscape. The contents of this document range from high-level pronouncements to more detailed plans as contained in the Annual Performance Plan (APP). Furthermore, the Regulator's annual budget is developed on the basis of the APP.

OFFICIAL SIGN-OFF

It is hereby certified that this Strategic Plan:

Was developed by the Board of Directors and Management of the NNR and takes into account all relevant policies, legislation and international standards. It accurately reflects the strategic outcome oriented goals and objectives which the NNR will endeavour to achieve over the planning period.

CHAIRPERSON OF THE BOARD
Dr T.M. Motshudi

CHIEF EXECUTIVE OFFICER
Dr M.B. Tyobeka

ACRONYMS

AGSA	Auditor General of South Africa
APP	Annual Performance Plan
COE	Certificate of Exemption
COR	Certificate of Registration
CSS	Commission on Safety Standards
ECC	Emergency Control Centre
EPD	Electronic Personal Dosimeter
DEA	Department of Environmental Affairs
DoE	Department of Energy
ENE	Estimates of National Expenditure
FNRBA	Forum of Nuclear Regulatory Bodies in Africa
GRAP	Generally Recognised Accounting Practice
HEU	Highly Enriched Uranium
IAEA	International Atomic Energy Agency
ICRP	International Commission on Radiation Protection
ICT	Information Communication and Technology
ILT	Initial Licence Training
INES	International Nuclear Event Scale
INPO	Institute of Nuclear Power Operators
INSAG	International Nuclear Safety Group
IRRS	Integrated Regulatory Review Service
ISI	In-service Inspection
IT	Information Technology
JCC	Joint Coordinating Committee
KNPS	Koeberg Nuclear Power Station
LMC	Licensing Management Committee
LETF	Liquid Effluent Treatment Facility
LEU	Low Enriched Uranium
LLM	Low Level Waste
LTAM	Long-Term Asset Management
MDEP	Multinational Design Evaluation Programme
MTEF	Medium Term Expenditure Framework
µSv	microSievert
mSv	milliSievert
MWe	Megawatt electrical
NECSA	South African Nuclear Energy Corporation
NEPROC	Nuclear Emergency Preparedness Regulatory Oversight Committee
NERS	Network of Regulators of Countries with Small Nuclear Programmes

NGO	Non-Governmental Organisation
NISL	Nuclear Installation Site Licence
NORM	Naturally Occurring Radioactive Material
NPP	Nuclear Power Plant
NTWP	Nuclear Technology and Waste Products
NUSSC	Nuclear Safety Standards Committee
NVL	Nuclear Vessel Licence
QMS	Quality Management System
OTS	Operating Technical Specification
PESTEL	Political, Environmental, Social, Technological, Environmental, Legislative
PFMA	Public Finance Management Act
PLEX	Plant Life Extension
PPC	Parliamentary Portfolio Committee
PSA	Public Safety Assessment
RAIS	Regulatory Authority Information System
RASSC	Radiation Safety Standards Committee
RPO	Radiation Protection Officer
SALTO	Safety Assessment of Long-Term Operation
SAPS	South African Police Service
SARIS	Self-Assessment of Regulatory Infrastructure for Safety
SARS	South African Revenue Service
SAT	Self-Assessment Tool
SGR	Steam Generator Replacement
SETA	Sector Education and Education Training
PAIA	Promotion of Access to Information Act
SHEQ	Safety, Health, Environment and Quality Management
SHEQD	Safety, Health, Environment and Quality Management Department
SWOT	Strength, Weaknesses, Opportunities and Threats
SQEP	Suitably Qualified and Experience Person
TPU	Thermal Power Upgrade
TRANSSC	Transport Safety Standards Committee
TSO	Technical Support Organisation
US-NRC	United States Nuclear Regulatory Commission
WAASC	Waste Safety Standards Committee
WAC	Waste Acceptance Criteria
WCA	Wonderfonteinspruit Catchment Area





PURPOSE OF THE STRATEGIC PLAN

The Strategic Plan is a documented articulation of the organisation's vision, priorities and direction in the medium to long term. It espouses ideals and aspirations regarding the organisation's future growth and sustainability. The strategy is meant to communicate the goals, and programmes for the organisation and includes all stakeholders' input at different stages of its crafting. As a long-term plan, the strategy spans a three- to five-year period and is reviewed periodically to ascertain its focus and relevance. In the case of the NNR, the Strategic Plan is reviewed annually specifically to set the annual plan of action in motion. This is also done in order to revise any key goals in the event of major environmental changes in the nuclear industry or in the South African legislative, social, economic and/or political landscape, that are deemed to materially impact the NNR's duties.

CONTEXT OF THIS STRATEGIC PLAN

Framework for strategic plans for state-owned entities

As a Schedule 3A entity, the NNR is subject to government-wide guidelines and stipulations in so far as strategic and financial planning are concerned.

This is important for two reasons:

1. Using the framework assists the NNR's Strategic Plan to demonstrate alignment with the overall Energy Policy and the Department of Energy's strategy in both content and format.
2. The extent to which the guidelines have been applied by entities is an auditable criterion by the AGSA and thus the NNR must also demonstrate adherence to this.

The schematic below is as per the framework guidelines for entities strategic plans¹.

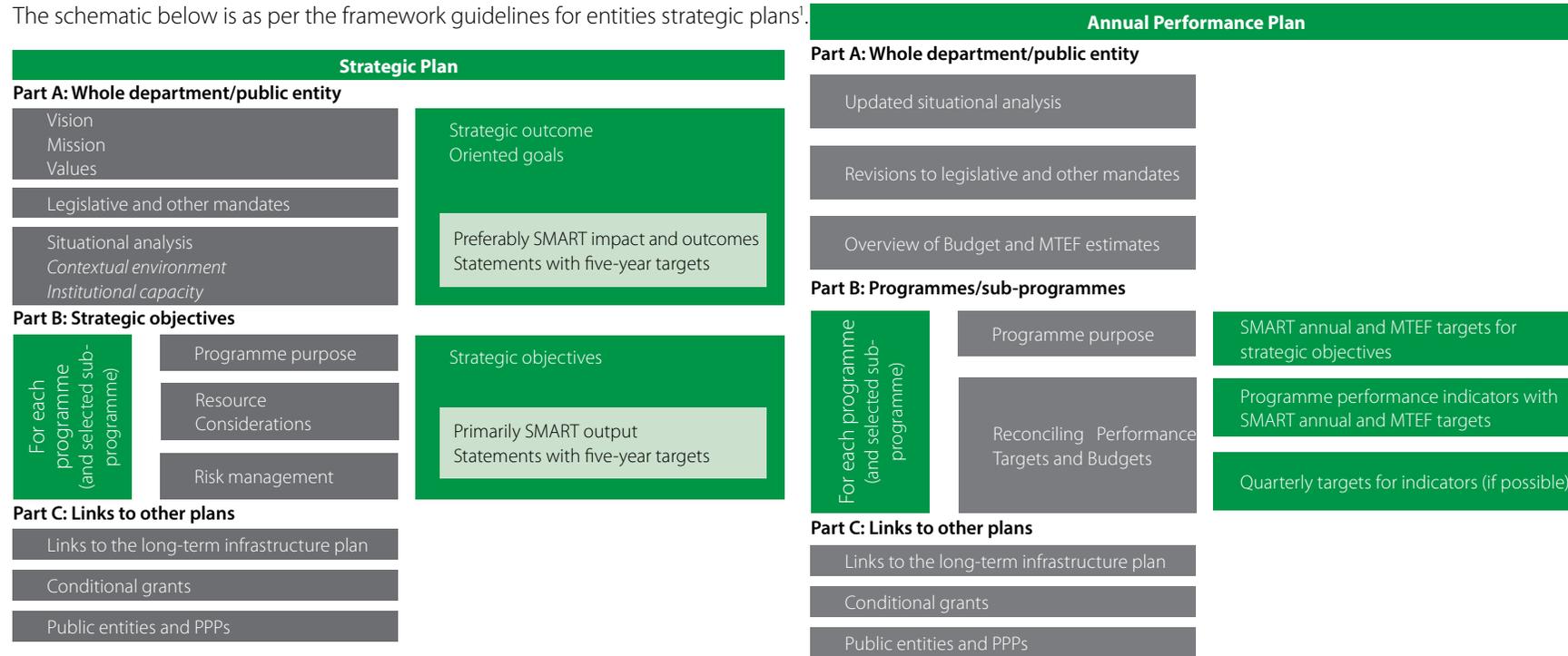


Figure 1: Framework for strategic plan and annual performance plans for state-owned entities/companies

1 The framework for Strategic plans and annual performance plans, National Treasury, August 2010

THE STRATEGIC PLANNING PROCESS FOLLOWED BY THE NNR

In developing the strategic plan, the NNR follows the process depicted in figure 2 below:

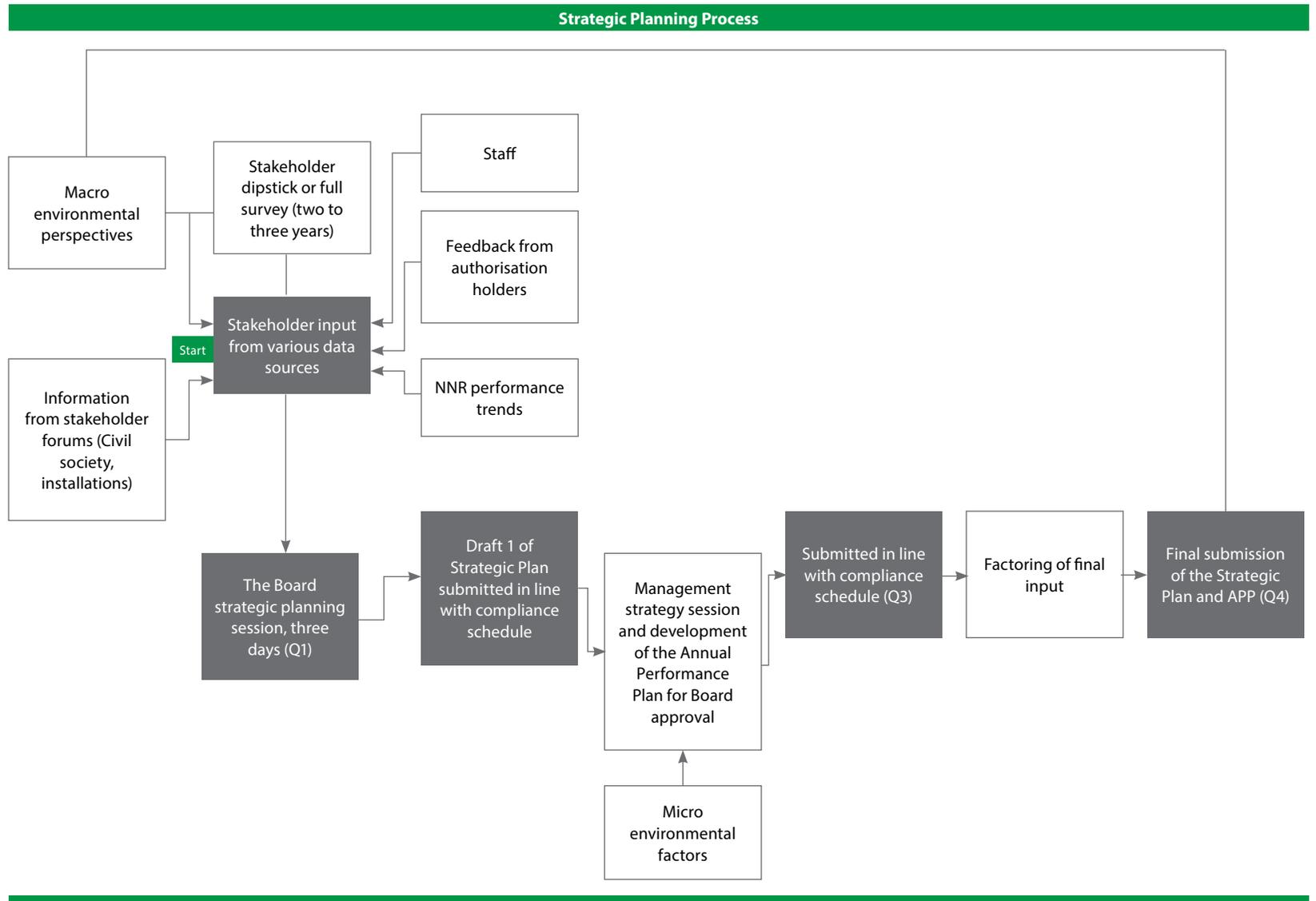
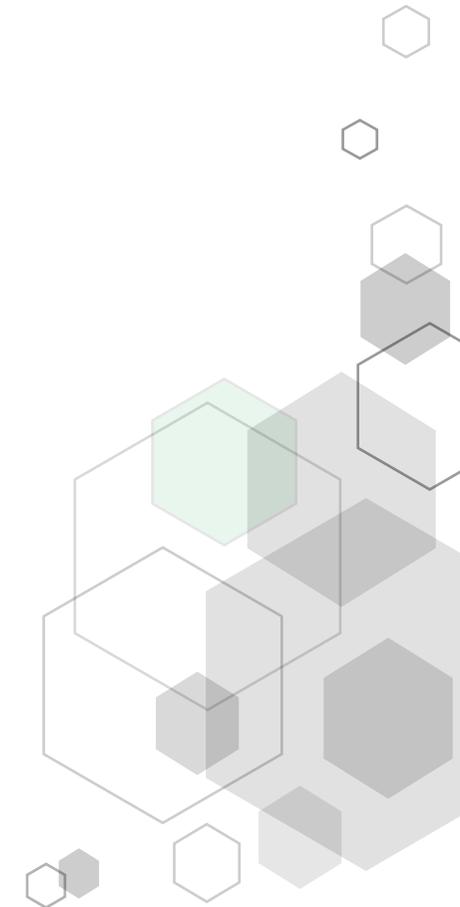


Figure 2: NNR's Strategic Planning Process

The process as depicted by figure 2 on page 6 can be summarised in five stages as follows:

- **Stage 1** – Data is collected from multiple sources. This is data pertaining to the Regulator’s performance of its duties from the stakeholders’ perspectives, environmental factors at a macro level are analysed and factored in, as well as the organisation’s own previous performance trends.
- **Stage 2** – The multisource data is factored into the Board’s strategic planning workshop which typically is conducted on the first quarter of the financial year. This plan projects into the next five years stating strategic pillars (vision, mission and values), defining long-term goals and strategic objectives. At this stage priorities for the Regulator are also identified to be later delineated in the Annual Performance Plan (APP) once budgets have been confirmed.
- **Stage 3** – The first draft of the strategy is submitted to the Department of Energy in line with compliance requirements. This is done to source initial input from the Department of Energy.
- **Stage 4** – The second iteration of the Strategic Plan is set before management with the understanding that at this stage more updated information such as the status of budgets for the following year (MTEF process), performance and status of strategic projects and any micro inward looking information are key inputs. Elements such as the strategic risk register, performance targets and key performance indicators are also included at this stage. The detailed APP is then crystallised for approval by Board and the Department of Energy.

- **Stage 5** – After having received final input from the Department of Energy, the Strategic Plan is finalised. Alignment with government priorities, relevant major recent developments that may have been omitted in previous iterations as well as any updated information are factored in for final submission. The signal of finalisation of this process is in the form of an approval letter from the Minister of Energy to the Chairperson of the NNR Board. The Strategic Plan for state-owned entities is a public document. Thus it is tabled before Parliament annually. This is followed by subsequent publication for the general public on the NNR website. The process is cyclical and is entered into annually.



STRATEGY OVERVIEW



1. STRATEGY OVERVIEW

1.1 Vision

- To be an independent leading nuclear regulator.

1.2 Mission

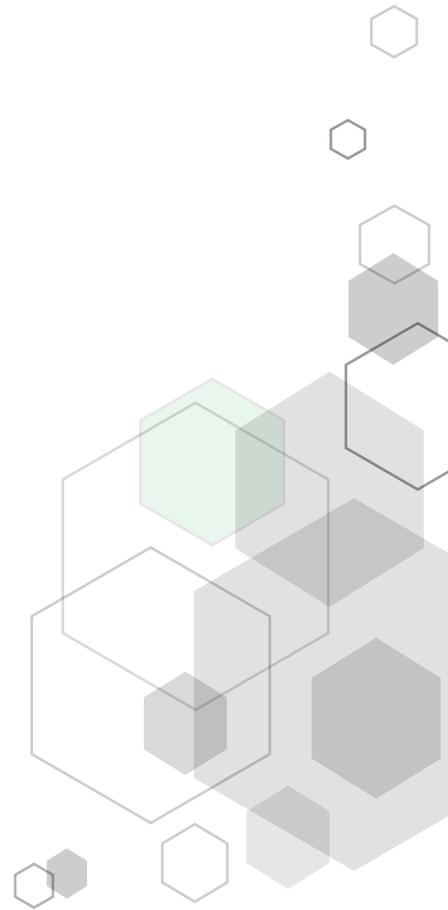
- To provide and maintain an effective and efficient national regulatory framework for the protection of persons, property and the environment against nuclear radiation.

1.3 Values

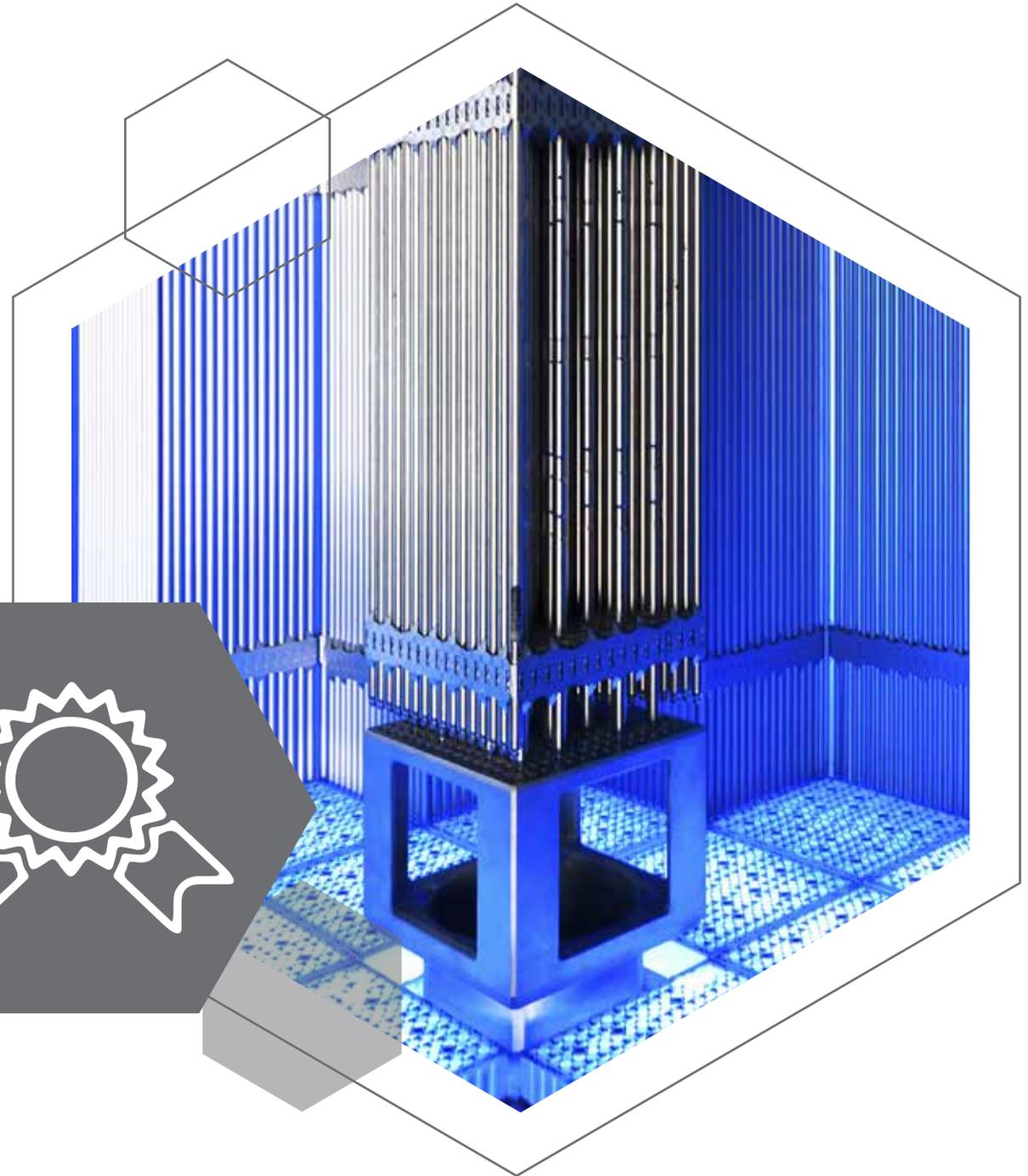
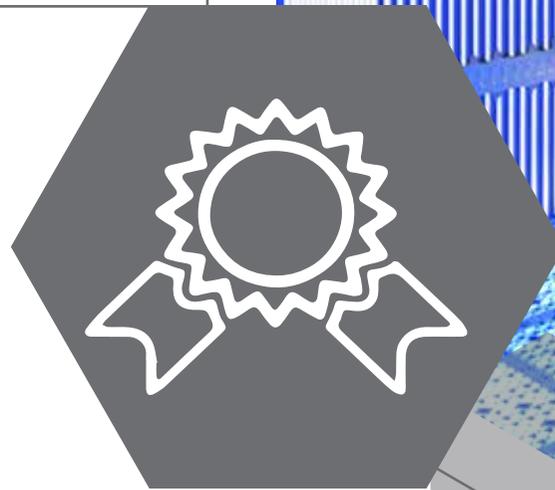
The NNR subscribes to six corporate values. The values are described as follows:

Value	Description
Safety and security	We endeavour to instil a culture of safety and security within the organisation, with holders of nuclear authorisations and in our interactions with all other stakeholders.
Integrity	We strive for integrity based on non-biased, fair, objective, consistent, honest, reliable, principled attitudes and attributes.
Excellence	We endeavour to deliver outstanding quality of work, efficiently, effectively and innovatively.
Value our people	We recognise and appreciate our people by valuing their inputs, showing empathy and creating a conducive and supportive working environment.
Teamwork	We strive to be a cohesive team that works in collaboration to realise common goals in order to deliver exceptional results.
Openness and transparency	We strive for openness and transparency in the regulatory decision-making process and the communication of regulatory decisions.

Table 1: The values of the NNR



LEGISLATIVE & OTHER MANDATES



1. LEGISLATIVE AND OTHER MANDATES

Constitutional mandates	Other relevant legislation	Other relevant legislation
<p>National Nuclear Regulator Act of 1999</p> <p>National Environmental Management Act 107 of 1998</p> <p>National Radioactive Waste Disposal Institute Act 53 of 2008</p> <p>Promotion of Administrative Justice Act 3 of 2000</p> <p>Strategic Intelligence Act 39 of 1994</p> <p>Basic Conditions of Employment Act 75 of 1997</p> <p>Compensation for Occupational Injuries and Diseases Act 130 of 1993</p> <p>Electronic Communications and Transactions Act 25 of 2002</p> <p>Employment Equity Act 55 of 1998</p> <p>Regulation of Interception of Communications and Provision of Communications-Related Information Act 70 of 2002</p> <p>Labour Relations Act 66 of 1995</p> <p>National Archives Act 43 of 1996</p> <p>Occupational Health and Safety Act 85 of 1993</p> <p>Protection of Equality and Prevention of Unfair Discrimination Act 4 of 2000</p> <p>Protected Disclosures Act 26 of 2000</p> <p>Protection of Information Act 84 of 1982</p> <p>Skills Development Act 97 of 1998</p> <p>Skills Development Levies Act 9 of 1999</p>	<p>Tobacco Control Act 83 of 1993</p> <p>Broad-Based Black Economic Empowerment Act 53 of 2003</p> <p>Government Immovable Assets Act 19 of 2007</p> <p>Pension Funds Act 24 of 1956</p> <p>Preferential Procurement Policy Framework Act 5 of 2000</p> <p>Public Finance Management Act 1 of 1999</p> <p>Promotion of Access to Information Act 2 of 1999</p> <p>Constitution of South Africa</p> <p>National Road Traffic Act 93 of 1996 Companies Act 71 of 2008</p> <p>Use of Official Languages Act 2 of 2012</p> <p>Protection of Personal Information Act 4 of 2013</p> <p>Environment Conservation Act 73 of 1989</p> <p>Physical Planning Act 125 of 1991</p> <p>Space Affairs Act 84 of 1993</p> <p>South African Maritime Safety Authority Act 5 of 1998</p> <p>National Water Act 36 of 1998</p> <p>National Forest Act 84 of 1998</p> <p>Nuclear Energy Act 46 of 1999</p> <p>National Railway Safety Regulator Act 16 of 2002</p> <p>Mineral and Petroleum Resources</p>	<p>Development Act 28 of 2002</p> <p>Defence Act 42 of 2002</p> <p>National Environmental Management: Protected Areas Act 57 of 2003</p> <p>National Environmental Management: Biodiversity Act 10 of 2004</p> <p>National Environmental Management: Air Quality Act 39 of 2004</p> <p>National Ports Act 12 of 2005</p> <p>Intergovernmental Relations Framework Act 13 of 2005</p> <p>Civil Aviation Act 13 of 2009</p> <p>National Regulator for Compulsory Specifications Act 5 of 2008</p> <p>Standards Act 8 of 2008</p> <p>National Environmental Management: Integrated Coastal Management Act 24 of 2008</p> <p>South African National Space Agency Act 36 of 2008</p> <p>Intellectual Property Rights from Publicly Financed Research and Development Act 51 of 2008</p> <p>Income Tax Act 58 of 1962</p> <p>Prescribed Rate of Interest Act 55 of 1975</p> <p>The Non-Proliferation of Weapons of Mass Destruction Act</p>

Table 2: Overview of relevant legislation and policies regulating NNR

**RELEVANT
COURT
RULINGS** &

**ORGANISATIONAL
ENVIRONMENT**



3. RELEVANT COURT RULINGS

In the current planning cycle, the section 34 determination by the high court as announced in November 2016, had an impact on the anticipated nuclear new build programme. This has had an impact on the planning of the NNR as well as the nuclear industry as a whole.

4. ORGANISATIONAL ENVIRONMENT

4.1 NNR structure

The NNR structure presents the major categorisations of roles in the organisation. The NNR is led by a Board of Directors in line with the prescripts of the NNR Act. The Board is appointed by the Minister of Energy and currently has three sub-committees. The Committees are made up of Board members in the main and they are the Transformation and Development Committee, the Audit and Risk Management Committee and the Technical Committee.

The Chief Executive of the NNR is appointed by the Minister of Energy in line with the NNR Act. The CEO, in consultation with the Board appoints the executives. Currently the NNR has four executives in the areas of Finance, Compliance Assurance and Enforcement, Standards, Authorisation Reviews and Assessments and Corporate Support Services. The rest of staff are appointed by the CEO and the executives as appropriate and are arranged broadly under the four areas.

There are strategic units placed under the ambit of the CEO and/or the Board. These are the Internal Audit which services the Board and reports to the Chairman of the Audit and Risk Committee; the Board Secretariat which services the Board and reports to the Chairman of the Board; the Stakeholder Management and Communications; the Legal Services and Risk Management as well as the Strategy and Organisational Performance. Collectively these are referred to as the Office of the CEO, albeit two of the functions have a dual reporting line to the Board and to the CEO. The summarised structure is depicted in figure 3 below.

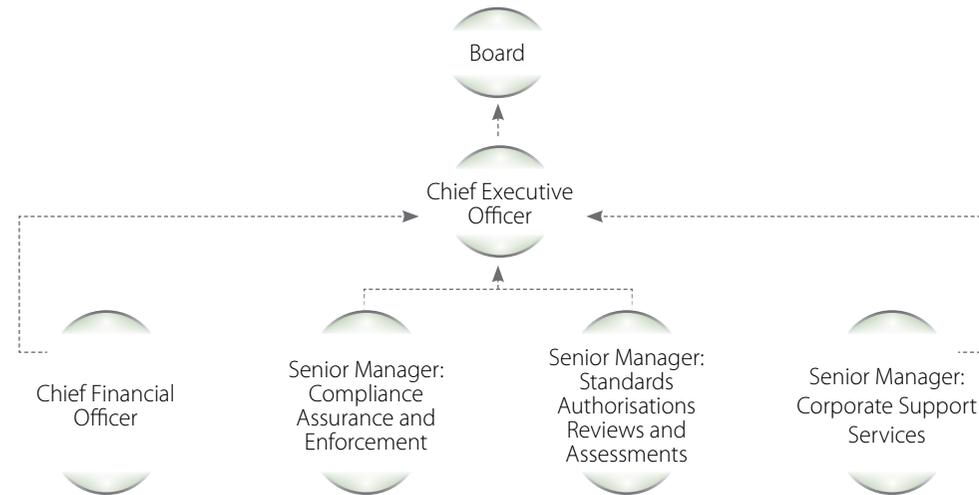


Figure 3: Overview NNR management structure

PROGRAMMES

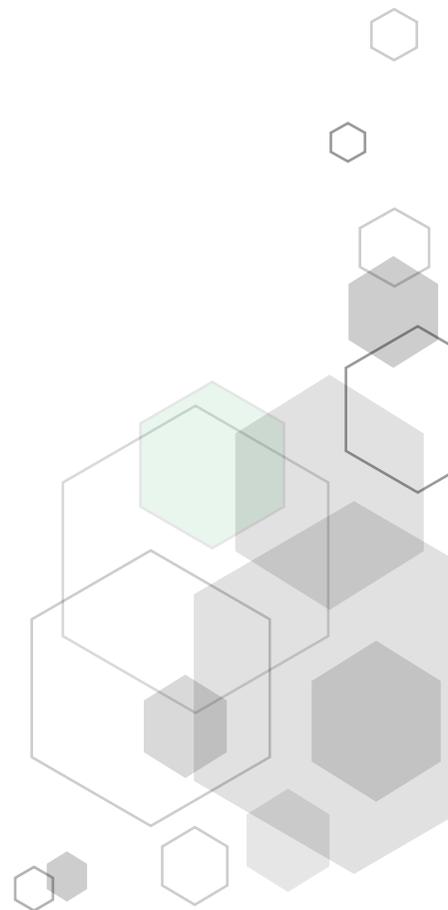


**HIGH-LEVEL
RESOURCE
CONSIDERATIONS**



Programme	Programme purpose
The Board of Directors	The Board sets the direction and governs the Regulator in accordance with the NNR Act. They develop the Strategic Plan and oversee the organisation's performance with regard to stated strategic objectives.
Office of the CEO	As the face of the organisation, the Office of the CEO has the overall responsibility for implementation of the organisation's Strategic Plan and oversees the performance of the operations. The functions in this office include: (a) Communications and Stakeholder Relations Management, (b) Legal Services and Enterprise Risk Management, (c) Strategy, Governance and Organisational Performance and (d) Internal Audit (which reports to the Board's Audit Committee substantively and to the CEO administratively)
Financial management	The programmes in this portfolio provide organisational support in the area of financial management and administration. This is done through the following key functional streams: a) Financial Planning and Management, b) Financial Reporting, c) Asset Management and d) Supply Chain Management (Procurement).
Compliance Assurance and Enforcement (CAE)	The CAE's portfolio provides strategic leadership and management of the compliance and enforcement activities, processes and programmes for all the regulated nuclear facilities and activities. This division ensures the establishment of effective and efficient delivery systems related to the compliance assurance and enforcement activities in nuclear safety and security. This includes conducting compliance assurance inspections, audits, investigations, surveillances, environmental monitoring and sampling.
Standards Authorisations and Reviews Assessments (SARA)	The SARA's portfolio provides strategic leadership and management in the areas of Authorisations for Nuclear Vessel Licences (NVL), Nuclear Installations (NIL), Certificate of Registrations (COR) and Certificates of Exemption (COE). The programme produces standards related to the core themes such as risk analysis, structural analysis, nuclear engineering and structural engineering. The reviews and assessments are conducted with regard to design safety, environmental and radiation protection, operational safety, emergency preparedness and nuclear security. The managing of special nuclear projects such as the Fukushima project, Radiation Protection and Steam Generator Replacement takes place here. Research and development is conducted on emerging issues regarding nuclear and radiation safety.
Corporate Support Services	This programme provides strategic organisational support through the key functions of Human Capital Management, Knowledge and Information Management, Integrated Management System, Facilities Management, IT, Security and Occupational Health and Safety.

Table 3: Overview of NNR programmes



6. HIGH-LEVEL RESOURCE CONSIDERATIONS PER PROGRAMME

	Audited outcome	Audited outcome	Preliminary outcome	Revised estimate	Average growth rate (%)	Expenditure/ total: Average (%)
R thousand	2014/15	2015/16	2016/17	2017/18	2014/15 – 2017/18	
Administration	85,932	100,450	94,691	102,718	6.9%	49.0%
SARA	59,024	63,861	68,396	94,901	17.2%	36.0%
CAE	25,159	28,808	26,283	39,099	15.8%	15.0%
Total expense	170,115	193,119	189,370	236,718	11.6%	100.0%

	Medium-term estimate			Average growth rate (%)	Expenditure total: average (%)
R thousand	2018/19	2019/20	2020/21	2017/18 – 2020/21	
Administration	110,897	113,654	125,394	6.9%	47.0%
SARA	76,198	80,465	86,902	(2.9%)	35.2%
CAE	41,367	43,684	47,178	6.5%	17.8%
Total expense	228,462	237,803	259,475	3.1%	100.0%

Table 4: High level resource consideration per programme

SITUATIONAL ANALYSIS





7. SITUATIONAL ANALYSIS

The situational analysis takes a broad overview of the external and internal perspectives. In this case, the PESTEL and SWOT analysis methods were applied to paint a picture of the prevailing trends and issues impacting the NNR.

7.1 External analysis – PESTEL

The NNR conducted a situational analysis for both external and internal perspectives. The PESTEL analysis was updated to highlight the following:

Political

- Global nuclear events and accidents increasingly influence Government policy towards nuclear industry.
- National Policy and approach to nuclear expansion has been reviewed as evidenced by the IRP Draft Document. Should the proposed scenarios be implemented it will mean that the Regulator must adjust its planning in order to align with the new parameters.
- Cabinet decision to appoint Eskom and Necsa to drive the procurement for the Nuclear Build is noted. This does not necessarily change the role of the NNR, only the processes that it will engage with regarding each stakeholder.
- The planned transfer of the RADCON function from the Department of Health to the NNR will widen the scope of the Regulator and thus require further capacitation.

Economic

- Volatile economic climate may impact adversely on some authorisation holders' ability to pay fees to the NNR as well as compromising the safety culture of their operations.
- Rand fluctuation and the lack of economic growth has contributed to the liquidation of some facilities.

- The weakening Rand impacts on decommissioning and waste management funds.
- Labour unrest at mines and service delivery protests in local mining communities adversely affect both the authorisation holders and communities surrounding the mines, economically and socially. The impact on the Regulator is that of fears or threats of physical safety of inspector which may negatively impact on the inspections programme.
- Limited funding i.e. State grant reduction and limitations to authorisation fees increases, will adversely affect the NNR's programmes and budgets.

Social programmes

- Land grabs are the new social threat, this may expose communities to hazards as there may not always be sufficient verification of the safety of some of the land i.e. it maybe contain radioactive material.
- Negative perceptions, as a result of historic global nuclear accidents, erode public trust and confidence in the nuclear industry.
- The negative perception of the industry may lead to a misunderstanding of the role of the Regulator; this needs to be addressed.
- Currently, there are low levels of public awareness on nuclear safety and emergency preparedness.
- Public demand for openness and transparency is growing and will have to be part of the organisation's programme.
- Urban developments around nuclear installations may be a challenge.

Technological

- Advancements in technology will continue to influence changes to nuclear safety and security. This is evidenced, for instance, by the use of drone technology.
- Online Regulatory Management Systems are a growing trend.
- The findings and recommendations of the INIR and EPREV reports have major impact on the way the Regulator conducts its business.
- Cyber Security is becoming an increasing threat that the Regulator must manage and guard against.
- The envisaged beneficiation of Uranium will introduce new technologies into the South African market and for the Regulator.
- Ageing management of facilities continues to warrant interventions, expertise and technologies to be applied.

Environmental

- There is increased pressure to reduce carbon emissions and use of green technology. This is further buttressed by South Africa's own commitment to the global decarbonisation programme.
- Management of High Level Radioactive Waste requires careful consideration.
- Environmental contamination from Legacy sites and ownerless mines in South Africa are still a challenge to regulate.
- Disposal of radioactive waste will continue to be monitored by the Regulator and the new Institute for radioactive waste disposal will focus on this.
- There is increased focus on environmental protection which is in line with the Regulator's mission.
- Regulator involvement in urban planning needs to be considered so as to ensure that there is no undue impact on the emergency planning zones.

Legislative

- The promulgation of the amendments of the NNR Act and implementation of the new funding model will bring a new dimension to internal administration.
- New technology used internationally may impact on legislative requirements.
- There is increased regulation to improve nuclear safety and security post Fukushima accident.
- Implementation of cooperative agreements is increasingly becoming an imperative for the NNR.
- Impact of international instruments on the operational mandate.

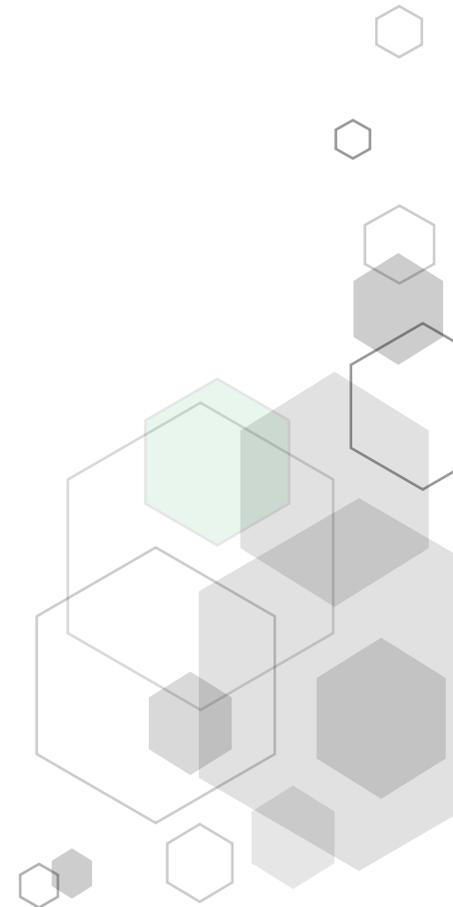
7.2 SWOT ANALYSIS

Strengths

- The NNR Regulatory Framework is established and robust.
- NNR mandate is legislated and unambiguous.
- Skilled personnel are a key feature of the regulator.
- There is an established structure to deliver the current mandate.
- Stimulating, challenging and wide scope of career opportunities.

Weaknesses

- Organisational stakeholder communication needs improvement
- Resignations and retirement of key personnel may provide serious challenges
- Inability to publish own regulations
- Conflicted appeal process (Independence) in instances where both parties, e.g. the operator and the Regulator report to the same Authority.





Opportunities

- Potential industry growth leading to training opportunities as a result of increasing scope of work.
- Stakeholder engagement has improved and there are opportunities for further enhancements.
- Bilateral relationships assist the NNR to keep abreast of global nuclear regulatory developments.
- Effectiveness of change management process is to be a key focus area in this cycle.
- There is opportunity for the NNR to ensure more effective regulation of sources.
- Although the structure is functional, it will be further optimised.

Threats

- Inability to regulate illegal mining activities is a serious threat to the country.
- Non-paying authorisation holders (bad debts) will ultimately hamper the Regulator functions if there is no intervention.
- Policy uncertainty in the area of a nuclear expansion challenges planning.
- Delay in publishing regulations.

The situational analysis allows the organisation to define its key drivers for the current strategy. The drivers are those issues that, given the prevailing environment, continue to assert themselves as emerging themes for the NNR. These are discussed below in the next sections (8 and 9) of this Strategic Plan.

KEY DRIVERS FOR THE STRATEGIC PLAN



8. KEY DRIVERS FOR THE STRATEGIC PLAN

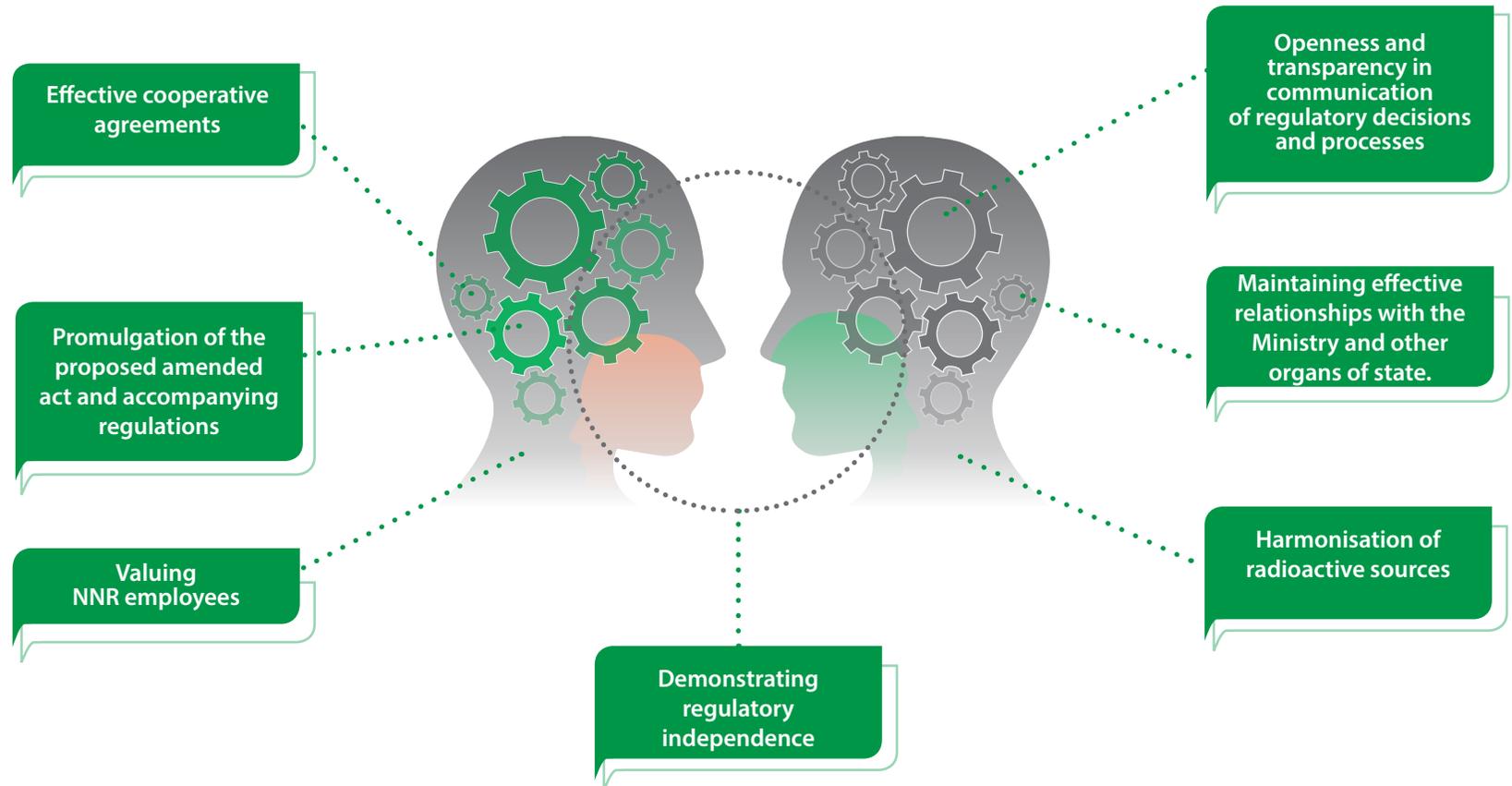


Figure 4: Situational Analysis – Key drivers

9. KEY DRIVERS EXPLAINED

The NNR identified five key strategy drivers for this cycle. These were articulated in the following terms:

9.1 Promulgation of the amended act and regulations

The purpose of the exercise is to sharpen the focus of the NNR and make its governing legislation more effective through the provision of additional amendments to the NNR Act of 1999 and its accompanying Regulations. This continues to be a key driver for 2018/19 performance cycle. The processes for the inclusion of amendments to the Act has been ongoing since the 2014/15 financial year.. The NNR continues, with the cooperation of the Department of Energy, to provide such input. It is anticipated that this process will reach finality by the end of this financial year.

9.2. Regulatory independence

The perspective regarding the independence of the regulatory function from the promotional function is well known to the Department of Energy and the Government. In addition to the international peer review missions such as the INIR, the recently concluded IRRS Mission also highlights it. This is noted as a continuing point of discomfort in the context of the Convention on Nuclear Safety as the view is that the Regulator is independent *de jure* but not *de facto*. However, it is appreciated that the Regulator is part of the government machinery and therefore cannot be completely independent of established governance structures, notwithstanding, an optimum arrangement should be found.

9.3. Cooperative governance

Some areas of the Regulator's mandate require cooperation and collaboration with third parties. The Regulator is desirous to focus on optimising these through the necessary mechanisms including the resuscitation of the Cooperative Agreements with relevant entities.

9.4 Communication of regulatory processes and decisions

One of the key drivers for the regulatory effectiveness is the communication of processes and decisions of the Regulator to stakeholders. The NNR has a wide array of stakeholders with varying needs regarding types of information required. This will increase as the nuclear industry grows and as the regulatory scope widens. What is apparent is that the Regulator needs to communicate more clearly about its role, mandate and regulatory decision. In this Strategic Plan there are plans and initiatives designed to give impetus to this intent.

9.5 Maintenance of relationships with the Ministry

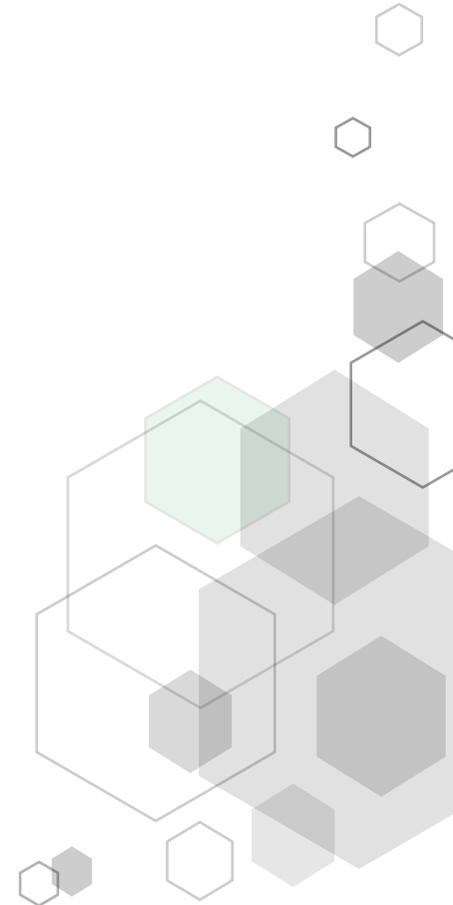
The relationship with the Ministry will always be an important one to the NNR, consequently the Regulator continuously searches for ways and means to keep it effective. One example on how the relationship could be more effective is in the development and implementation of a mutually agreed shareholder's compact. Broadly understood, the Shareholder's Compact represents the agreement formed between the Executive Authority and the Accounting Authority. It is meant to reflect the expectations of each of the parties, expressed in terms of outcomes that need to be achieved during a specified period on both sides.

9.6 Harmonisation of radioactive sources

The purpose of this is to centralise and harmonise the regulation of radioactive sources in the country. This will have implications for the Regulator, including staffing capacity and financial resources. It is noted, however, that this processes is not completely under the control of the NNR and therefore its implementation may span a number of years before finally coming to fruition.

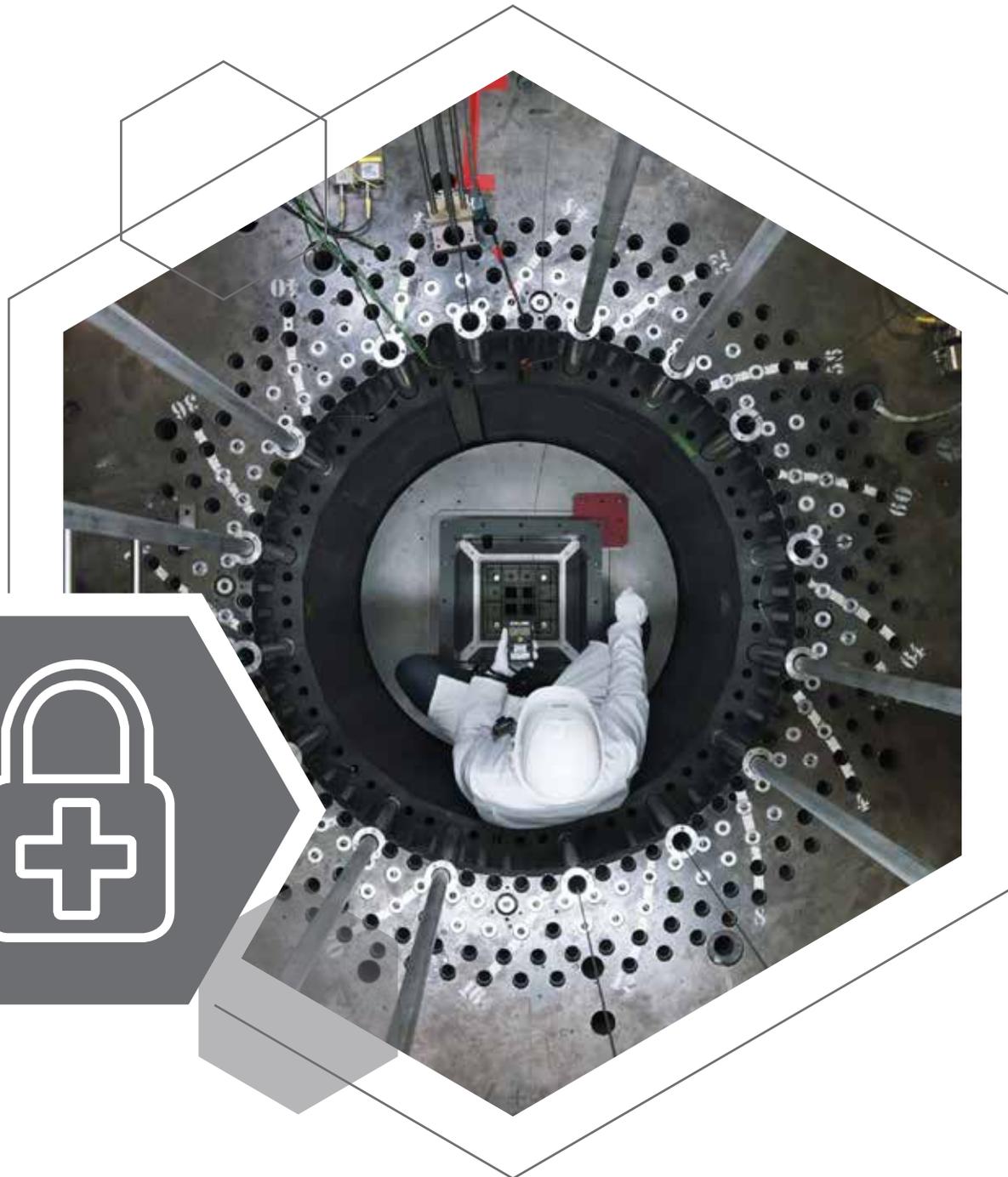
9.7 Valuing NNR employees

The NNR recognises that its members of staff are a key stakeholder group. To that end, the NNR aspires to ensure their participation, involvement and satisfaction in carrying out its mandate. This will be achieved through ensuring equitable and enabling policies and living out of the organisations values, which serve as the common ground for all NNR employees.



STAKEHOLDER MAP

STRATEGIC GOALS & OBJECTIVES



10. STAKEHOLDER MAP

The strategy is most useful and effective when aligned with stakeholder needs. The NNR has for that reason engaged in a stakeholder mapping exercise and defined the types of linkages that the organisation has with various stakeholder groupings as per figure 5 below:

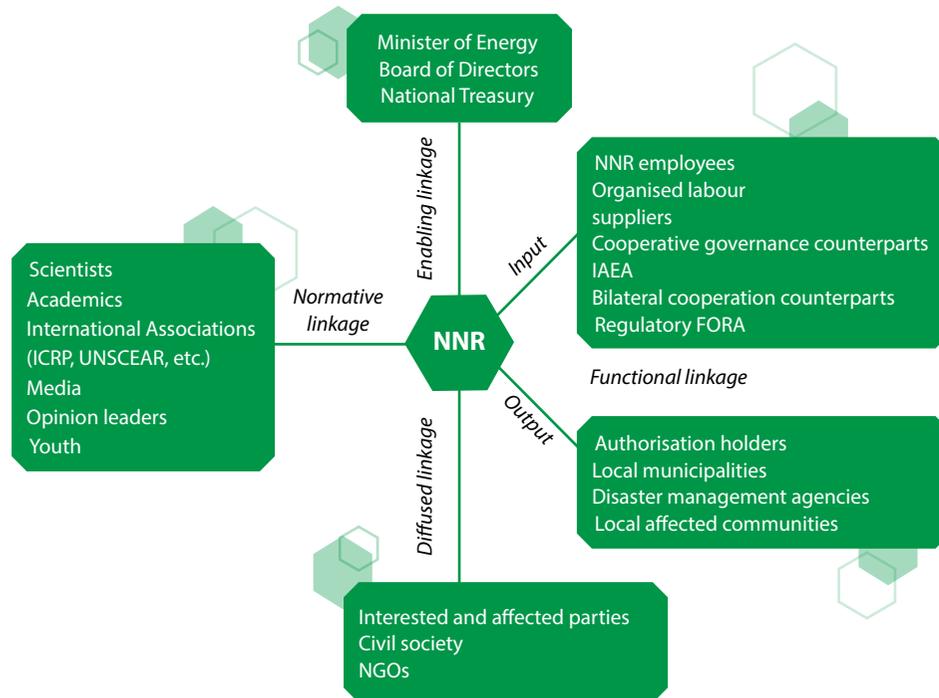


Figure 5: NNR stakeholder map

1. **Enabling stakeholders** have some control and authority over the organisation and could include Board of directors, Legislators and Regulators among others. The NNR is reliant on these stakeholders for decision-making, guidance and directives necessary for the NNR to operate.
2. **Normative linkages** are those groups with whom the organisation has a common interest and shares similar values, goals or problems. They may include competitors. There is sharing and exchange of information, knowledge, practices, etc.
3. **Diffused linkages** are those stakeholders who become involved based on the actions of the organisation and often the organisation does not have regular interaction with them. They could include the community, activists and special interest groups. These are interested parties who may have a similar goal of safety as the Regulator but may vary on their views regarding processes. The regulator needs to share as much information with this group in line with the key driver on communicating regulatory processes and decisions.
4. **Functional linkages** are essential for the functioning of the organisation. Some are involved in the input of the organisation such as employees and suppliers, and others form part of the output of the organisation such as consumers and retailers. The stakeholders provide outputs of various natures for review and assessment and inspection by the regulator. These stakeholders expect approval, guidance and regulations. The second group of stakeholders still under functional linkages provides inputs to the Regulator and these include internal stakeholders as well as partners



11. STRATEGIC GOALS AND OBJECTIVES

Goal 1: To provide efficient and effective nuclear regulatory services

1. Develop and implement standards with regard to regulatory processes. e.g. inspections, authorisations and enforcement
2. Enhance collaboration with strategic partners to strengthen training and capacity development of regulatory staff
3. Undertake research and ensure effective technical support to the regulator.
4. Leverage strategic partnerships through the CNSS to build capacity

Goal 2: Improve awareness of the NNR and strengthen stakeholder relations

1. Fulfil national obligations in terms of international conventions
2. Strengthen scientific and technical cooperation
3. Profile NNR positively amongst international peers
4. Improve information sharing and strengthen corporate image

Goal 3: Ensure financial viability and sustainability of the organisation

1. Develop mechanism to ensure financial viability and sustainability of the organisation
2. Increase price competitiveness in procurement

Goal 4: Provide robust internal business processes

1. Build ICT capacity
2. Maintain an effective internal audit programme

Goal 5: Valuing our people

1. Enhance employee communication and involvement
2. Leadership and management proficiency
3. Implement productivity standards and measurements
4. Ensure skilled competent employees

Goal 6: Sustaining governance and effective system of internal controls

1. Ensure that governance principles are applied effectively in order to maintain a robust system of internal controls

GOVERNANCE



12. GOVERNANCE FRAMEWORK

The NNR governance framework encapsulates and draws from the NNR Act 47 of 1999, the Companies Act of 2008 where applicable and the King Code on corporate governance, recently in its 4th revision (KING IV). The model below depicts the summary of key areas of emphasis in ensuring robust organisational governance observance in the NNR.

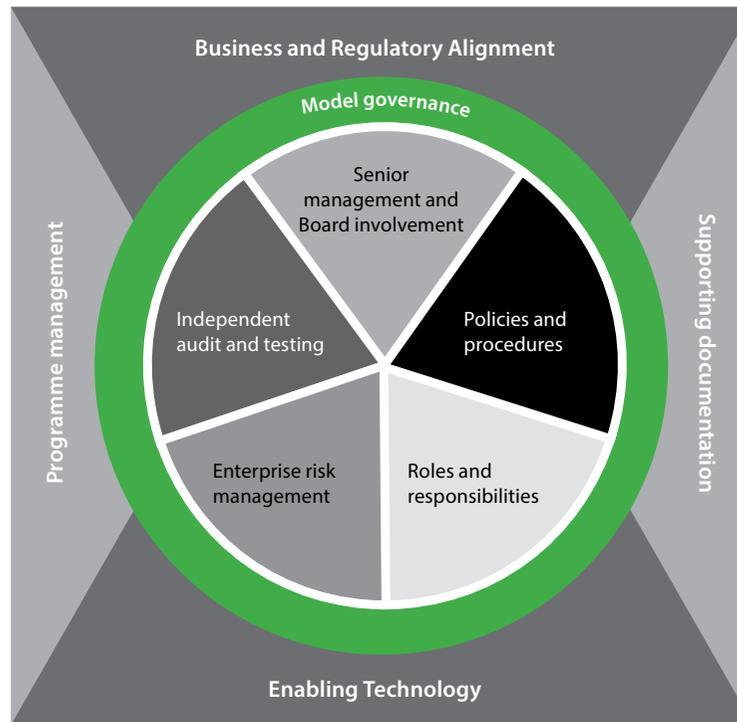


Figure 6: The governance framework

Figure 6 presents a five-part governance framework where the board and senior management understand and apply requisite levels of involvement in ensuring an effective system of internal controls and broad governance principles throughout the organisation. The framework indicates that evidence to such a system is manifested by the presence of policies and procedures which in the NNR are managed through the IMS vehicle. Roles and responsibility of Board, management and staff are well articulated and communicated. As part of its main areas of focus in ensuring good governance, the NNR observes an enterprise-wide strategy aligned risk management protocol. The veracity, adequacy and effectiveness of these tenets and practices of governance are tested through the internal and external audit processes. The Strategic Plan encapsulates this in its articulation of the APP.

RISK MANAGEMENT





13. RISK MANAGEMENT

Risk management permeates all areas of the NNR and is central to all governance activities as discussed above. The risk management philosophy and strategy of the NNR has been defined and a typical process for risk management can be summarised as depicted below in figure 7:

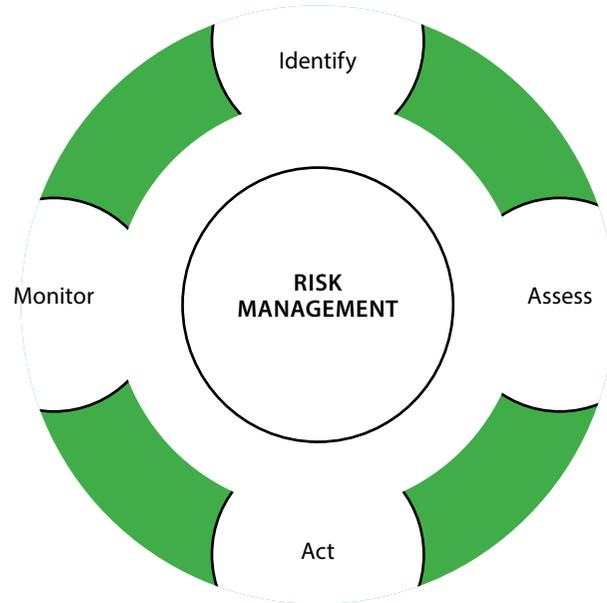


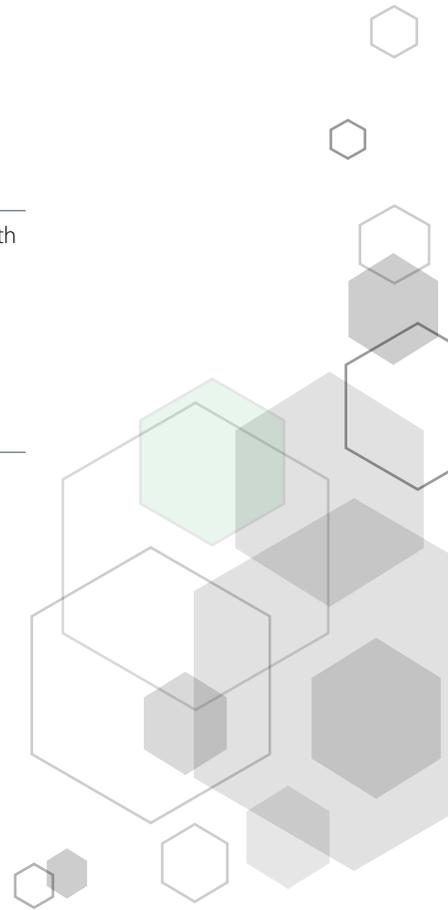
Figure 7: Risk Management Process

The risks are first identified, then assessed to determine their impact and probability, this is followed by appropriate preventive actions being stated. The final step is to implement the actions as appropriate and continuously monitor the system. The risks are assessed annually at both strategic and operational levels and monitored continuously, with quarterly reports status produced. Key risk action plans are incorporated into the Annual Performance Plan (APP). The Strategic Risk Register is developed to assess and monitor the possible risks associated with each of the strategic objectives identified.

For the current strategic plan, the risks have been identified in the risk register is as follows:

13.1 Risk register

Goal aligned with	Strategic objective	Risk description	Root cause (contributing factor)	Consequence description	Inherent rating	Residual rating	Actions to mitigate the risk
Goal 1: To provide efficient and effective nuclear regulatory services	Develop and implement standards with regard to regulatory processes. e.g. inspections, authorisations and enforcement	Inability to perform independent verification (LAB)	1. NNR laboratory not fully operational 2. Lack of accreditation for laboratory methods	1. NNR utilises the services of a licence holder (NECSA) to analyse samples 2. Delays in obtaining results to make timely regulatory decisions 3. Members of public potentially exposed to radiation 4. Negative reputation	20	20	1. Validation and verification of methods and procedures per the approved action plan to obtain SANAS accreditation.
Goal 1: Provide efficient and effective nuclear regulatory services	Develop and implement standards with regard to regulatory processes. e.g. inspections, authorisations and enforcement	Non-achievement of strategic objective relating to the regulatory decision of the NISL application	1. Delays from Eskom 2. Inability to secure TSO support 3. Incomplete public participation	1. Negative impact on organisational performance 2. Breakdown in stakeholder trust and confidence in the NNR	20	16	1. Establish timelines with Eskom 2. Agree timelines for public participation 3. Identification of TSOs for remaining areas





Goal aligned with	Strategic objective	Risk description	Root cause (contributing factor)	Consequence description	Inherent rating	Residual rating	Actions to mitigate the risk
<p>Goal 1: To provide efficient and effective nuclear regulatory services</p>	<p>Develop and implement standards with regard to regulatory processes. e.g. inspections, authorisations and enforcement</p>	<p>Authorisation holders may submit inaccurate information relating to radon measurements in high risk areas</p>	<p>1. Unavailability of appropriate radon monitoring equipment</p>	<p>Inability to independently validate that the equipment used by the authorisation holders to measure radon levels is 'fit for purpose'</p>	20	8	<ol style="list-style-type: none"> 1. Determine specifications of required monitoring equipment 2. Perform a desktop research of available equipment and invite suppliers to present and demonstrate equipment to NNR 3. Determine the quantity and funding requirements 4. Once monitoring equipment is procured, activities can be scheduled in the CAP.
<p>Goal 1: To provide efficient and effective nuclear regulatory services</p>	<p>Develop and implement standards with regard to regulatory processes. e.g. inspections, authorisations and enforcement</p>	<p>Exposure of inspectors to injuries and fatalities while on duty</p>	<ol style="list-style-type: none"> 1. Potential exposure to Occupational Hazard and natural disasters (e.g. rock falls, operator negligence, floods, tremors, etc.) 2. Illegal mining activities in or around regulated facilities 	<p>Occupational injuries Inspectors fearful to conduct compliance assurance activities in areas affected by illegal mining</p>	16	12	<ol style="list-style-type: none"> 1. Need a personal physical security threat assessment to be performed to inform further actions. 2. Develop guidelines for assessing risk, which will be used by inspectors before the access certain sites. 3. Communication and liaison with the SAPS on the affected areas.

Goal aligned with	Strategic objective	Risk description	Root cause (contributing factor)	Consequence description	Inherent rating	Residual rating	Actions to mitigate the risk
Goal 2: Improve awareness of the NNR and strengthen stakeholder relations	Strengthen scientific and technical cooperation	Inadequate cooperation between regulatory authorities	1. Lack of understanding and alignment of the different regulatory mandates	1. Regulatory ineffectiveness on commonly regulated areas 2. Damage to image/reputation 3. Damage/exposure to environment	20	16	Conduct information sharing sessions with relevant regulatory authorities Review and update agreements to ensure effectiveness
Goal 5: Valuing our people	To implement productivity standards and measurements	Inadequate capacity to deliver on the mandate	1. Lack of structure approach to training of staff 2. Staffing model not implemented yet	1. Lack of structured approach to training of employees 2. Staffing model not implemented yet	16	16	1. Research and develop work study programme 2. Implement management of competence process 3. Implementation of the staffing model 4. Finalise the re-organisation project
Goal 6: Sustaining governance and effective internal controls	Ensure that governance principles are applied effectively in order to maintain a robust system of internal control	Leaking of information	1. Non-compliance with security and information management principles and processes	1. Disclosure of regulated information 2. Reputational harm 3. Litigation	15	12	1. Implementation of the IRM project 2. Implementation of the data leakage prevention project





Goal aligned with	Strategic objective	Risk description	Root cause (contributing factor)	Consequence description	Inherent rating	Residual rating	Actions to mitigate the risk
Goal 3: Ensure financial viability and sustainability of the organisation	Develop mechanism to ensure financial viability and sustainability of the organisation	Inability to sustain financial viability of the NNR	1. Late payment of authorisation fees by authorisation holders 2. Late approval and gazetting of authorisation fees	1. Inability to fund regulatory activities. 2. Strategic projects held back	15	10	1. Finalise and implementation of the Funding model

Table 6: Risk register

Residual risk rating

Residual risk is the risk remaining after considering the controls put in place to mitigate the inherent risk (inherent risk control effectiveness). The following table was used to assess the residual risk:

Residual risk	Rating	Response
High	15 < 25	Unacceptable level of residual risk – Implies that the controls are either fundamentally inadequate (poor design) or ineffective (poor implementation). Control requires substantial redesign, or a greater emphasis on proper implementation.
Medium	8 < 14	Unacceptable level of residual risk – Implies that the controls are either inadequate (poor design) or ineffective (poor implementation). Control require some redesign, or a more emphasis on proper implementation
Low	1 < 7	Mostly acceptable level of residual risk – Requires minimal control improvements.

SHORT- TO MEDIUM-TERM PRIORITIES OF THE NNR





15. SHORT- TO MEDIUM-TERM PRIORITY ACTIONS FOR THE NNR

The following have been identified as the priority actions for 2018/19 financial cycle. The balance scorecard framework was used to categorise them according to perspectives as follows:

Financial management

- Ring-fence commodities for BEE
- Intensify transformation through procurement
- Identify alternate sources of income
- Render services to government and regulators alike over excess lab capacity
- Render training services locally for the international organisation at a fee
- Forecasting and scenario planning or financial sustainability

Internal business processes

- Update status and complete implementation of the IMS Plan
- Secure funding to implement the approved ICT strategy
- Monitor implementation of actions to close off audit findings

Regulatory

- Review of regulatory processes and address gaps identified (IRRS Mission)
- Focus on technical training programmes
- Determine how liquidation impacts regulation of the NORM programme
- Determine the extent to which TSO support is required

Stakeholder management

- Strengthen scientific and technical cooperation
- Localisation of training – ENSTII and IAEA
- Position South Africa as a potential satellite for the IAEA in Africa
- Improve internal communication with employees

People management

- Establish gender equality status at the NNR
- Standardise psychometric testing for entrants
- Address discrepancies in remuneration levels
- Commission a work study to determine productivity thresholds
- Determine the prevailing culture in the NNR

These prioritised activities and initiatives will be cast as appropriate in the 2018/19 APP and depending on budget availability. As this is a five-year strategic plan, some of the activities may be implemented in subsequent years.

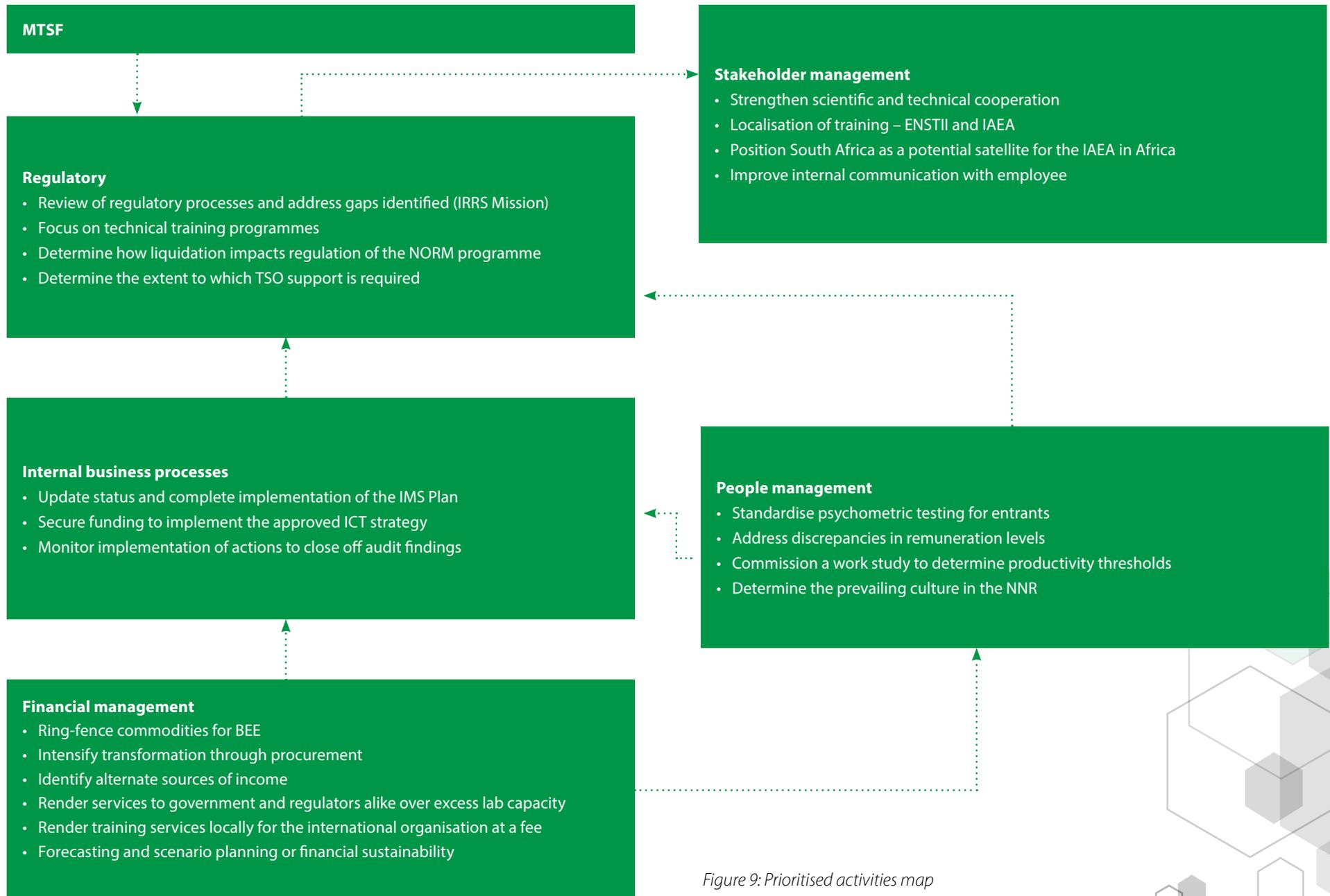


Figure 9: Prioritised activities map

FORECASTED PERFORMANCE PLAN (FIVE-YEAR)



16. FORECASTED PERFORMANCE PLAN (FIVE-YEAR)

Strategic objective	Performance indicator	Audited/ actual performance		Previously planned performance targets	Planned performance targets	Medium-term targets			
		Year 2015-16	Year 2016-17	2017-18	2018-19	Year 2019-20	Year 2020-21	Year 2021-22	Year 2022-23
1.1 Develop and implement standards with regard to regulatory processes. e.g. inspections, authorisations and enforcement	RM1a: % of compliance assurance activities	(New KPI 18/19)	(New KPI 18/19)	(New KPI 18/19)	Conducting 100% of the identified compliance assurance initiatives	Conducting 100% of the identified compliance assurance initiatives	Conducting 100% of the identified compliance assurance initiatives	Conducting 100% of the identified compliance assurance initiatives	Conducting 100% of the identified compliance assurance initiatives
	RM1b: % implementation of the CAP	85%	100%	100%	100% of the CAP	100% of the CAP			
	RM2a: Reviews and assessments undertaken (programmes)	100%	100%	100%	100%	100%	100%	100%	100%
	RM2b: Reviews and assessments undertaken (SGR)	100%	100%	100%	100%	100%	100%	100%	100%
	RM3: % completion of planned SER activities	(New KPI 18/19)	(New KPI 18/19)	(New KPI 18/19)	100%	100%	100%	100%	100%
1.2 Enhance collaboration with strategic partners to strengthen training and capacity development of regulatory staff	RM4a: Number of developed training curricula	(New KPI 18/19)	(New KPI 18/19)	(New KPI 18/19)	2	2	2	2	2
	RM4b: Number of developed training manuals	(New KPI 18/19)	(New KPI 18/19)	(New KPI 18/19)	2	2	2	2	2

Strategic objective	Performance indicator	Audited/ actual performance		Previously planned performance targets	Planned performance targets	Medium-term targets			
		Year 2015-16	Year 2016-17	2017-18	2018-19	Year 2019-20	Year 2020-21	Year 2021-22	Year 2022-23
1.3 Undertake research and ensure effective technical support to the regulator.	RM5a: Number of research projects scoped	(New KPI 18/19)	(New KPI 18/19)	(New KPI 18/19)	6	6	6	6	6
	RM5b: Number of R&D projects initiated	(New KPI 18/19)	(New KPI 18/19)	(New KPI 18/19)	4	4	4	4	4
	RM6: Number of TSS projects initiated	(New KPI 18/19)	(New KPI 18/19)	(New KPI 18/19)	3	3	3	3	3
1.4 Leverage strategic partnerships through the CNSS to build capacity	RM7: Number of developed draft MoU/MoAs	(New KPI 18/19)	(New KPI 18/19)	(New KPI 18/19)	4	4	4	4	4
2.1 Fulfil international and national obligations	RM8a: Fulfil obligations for the Joint Convention Peer Review Process	100%	100%	100%	Fulfil obligations for the Joint Convention	Fulfil obligations for the Joint Convention			
2.2 Strengthen scientific and technical cooperation	RM8b: Number of successful bilateral engagements re: NISL and SGR	(New KPI 18/19)	(New KPI 18/19)	(New KPI 18/19)	Three bilateral engagements	Three bilateral engagements	Three bilateral engagements	Three bilateral engagements	Three bilateral engagements
2.3 Profile NNR positively amongst international peers.	RM9: Number of multilateral cooperation Fora	(New KPI 18/19)	(New KPI 18/19)	(New KPI 18/19)	Three multilateral cooperation Fora	Three multilateral cooperation Fora			
2.4 Improve information sharing and strengthen corporate image	RM10: Conduct NNR Regulatory Information Conference	100%	(New KPI 18/19)	(New KPI 18/19)	NNR Regulatory Information Conference	N/A	NNR Regulatory Information Conference	N/A	NNR Regulatory Information Conference

Strategic objective	Performance indicator	Audited/ actual performance		Previously planned performance targets	Planned performance targets	Medium-term targets			
		Year 2015-16	Year 2016-17	2017-18	2018-19	Year 2019-20	Year 2020-21	Year 2021-22	Year 2022-23
3.1 Develop mechanism to ensure financial viability and sustainability of the organisation	FM1: Financial risk report	(New KPI 18/19)	(New KPI 18/19)	(New KPI 18/19)	Financial Risk Report	Financial risk report	Financial risk report	Financial risk report	Financial risk report
3.2 Increase price competitiveness in procurement	FM2: % of procurement spend on designated groups	(New KPI 18/19)	(New KPI 18/19)	(New KPI 18/19)	50%	50%	50%	50%	50%
4.1 Build ICT Capacity	PM1: % of implementation of deliverables	(New KPI 18/19)	(New KPI 18/19)	(New KPI 18/19)	100%	100%	100%	100%	100%
4.2 Maintain an effective internal audit programme	PM2: Reduced number of outstanding audit findings	(New KPI 18/19)	(New KPI 18/19)	(New KPI 18/19)	100% close out findings per action plan	100%	100%	100%	100%
5.1 Ensure that governance principles are applied effectively in order to maintain a robust system of internal controls	PM 3:% Implementation of identified critical gaps in line with King IV	(New KPI 18/19)	(New KPI 18/19)	(New KPI 18/19)	100%	100%	100%	100%	100%
	PM4: Compliance report with applicable legislation and policy framework	100%	100%	100%	Annual legislative compliance report	Annual legislative compliance report	Annual legislative compliance report	Annual legislative compliance report	Annual legislative compliance report
	PM5: % Implementation of the enterprise risk management programme	100%	100%	100%	100%	100%	100%	100%	100%

Strategic objective	Performance indicator	Audited/ actual performance		Previously planned performance targets	Planned performance targets	Medium-term targets			
		Year 2015-16	Year 2016-17	2017-18	2018-19	Year 2019-20	Year 2020-21	Year 2021-22	Year 2022-23
6.1 Enhance staff communication and involvement	LM 1: % Development and implementation of an employee relations strategy	(New KPI 18/19)	(New KPI 18/19)	(New KPI 18/19)	100%	100%	100%	100%	100%
6.2 Leadership and management proficiency	LM2: % Implementation of management and leadership development plan	(New KPI 18/19)	(New KPI 18/19)	(New KPI 18/19)	100%	100%	100%	100%	100%
6.3 Implement productivity standards and measurements	LM3: % Development and implementation of a work study programme	(New KPI 18/19)	(New KPI 18/19)	(New KPI 18/19)	100%	100%	100%	100%	100%
6.4 Ensure skilled competent employees	LM4: % implementation of structured approach of training and development	(New KPI 18/19)	(New KPI 18/19)	(New KPI 18/19)	100%	100%	100%	100%	100%

17. ANNUAL PERFORMANCE PLAN (APP) 2018-19

The APP will be based on the following 17 strategic objectives:

Goal	Objective	Measure	KPI	Annual target	Q1	Q 2	Q3	Q 4
1. To provide efficient and effective nuclear regulatory services	1.1 Develop and implement standards with regard to regulatory processes. e.g. inspections, authorisations and enforcement	Compliance Assurance Activities conducted	RM1a: % of strategic compliance assurance activities	Conducting 100% of identified compliance assurance initiatives	Maintenance inspection focused on ageing management (NPP)	Maintenance inspection focused on ageing management (NPP)	Maintenance inspection focused on ageing management (NPP)	Maintenance inspection focused on ageing management (NPP)
					NA	Management of Safety at NTP	NA	Ageing Management at SAFARI-1
					Inspection of Radiation worker protection at two special case mines (NORM)	Inspection of Effluent spillage at facilities (NORM)	Inspection of Radiation worker protection of two special case mines (NORM)	Inspection of Effluent spillage at facilities (NORM)
					Implementation of the Compliance Assurance Plan	RM1b: % implementation of the CAP	100% of the CAP	100% of the Quarterly CAP activities
	Reviews and assessments (NTWP, NPP, NORM)	RM2a: Reviews and assessments undertaken	100%⁴	100% of planned quarterly activities	100% of planned quarterly activities	100% of planned quarterly activities	100% of planned quarterly activities	
	Reviews and Assessments: SGR	RM2b: Reviews and assessments undertaken	100%	100% of planned quarterly activities	100% of planned quarterly activities	100% of planned quarterly activities	100% of planned quarterly activities	

⁴ Reviews and assessments targets are determined on a quarterly basis in line with NNR/Operator SLA.

Goal	Objective	Measure	KPI	Annual target	Q1	Q 2	Q3	Q 4
		Completion of planned SER activities	RM3: % completion of planned SER activities	100%	Completion of the remaining review aspects of SER	N/A	N/A	Draft SER Initiate public participation process
	1.2 Enhance collaboration with strategic partners to strengthen training and capacity development of regulatory staff	Developed training curricula	RM4a: Number of developed training curricula	2	N/A	1	1	N/A
		Developed training manuals	RM4b: Number of training manuals developed	2	N/A	N/A	1	1
	1.3 Undertake research and ensure effective technical support to the regulator	Developed scope for identified research projects	RM5a: Number of research projects scoped	6	N/A	2	2	2
		Initiated R&D Project	RM5b: Number of R&D projects initiated	4	N/A	N/A	2	2
		Initiated TSS Projects	RM6: Number of TSS projects initiated	3	N/A	1	1	1
	1.4 Leverage strategic partnerships through the CNSS to build capacity	Developed draft MoU/MoA	RM7: Number of developed draft Mou/MoAs	4	1	1	1	1

Goal	Objective	Measure	KPI	Annual target	Q1	Q 2	Q3	Q 4
2. Improve awareness of the NNR and strengthen stakeholder relations	2.1 Fulfil international and national obligations	National Report for the Joint Convention	RM8a: Fulfil obligations for the joint convention; peer review processes	Fulfil international obligations for the joint convention	Present National Report for the Joint Convention	Follow-up Actions for the Review Meeting	Follow-up Actions for the Review Meeting	
	2.2. Strengthen scientific and technical cooperation	Reviews, inspections and public participation for NISL and SGR	RM8: Number of successful bilateral engagements re: NISL and SGR	Three bilateral engagements	N/A	Bilateral with USNRC/UK-ONR/CNSC	Bilateral with NNSA	N/A
	2.3 Profile NNR positively amongst international peers.	Corporate image strengthened externally and knowledge shared internally	RM9: Number of multilateral cooperation Fora	Three multilateral cooperation Fora	MDEP FNRBA RCF	GEN4 MDEP FNRBA RCF	MDEP FNRBA RCF	GEN4 MDEP FNRBA RCF
	2.4 Improve information sharing and strengthen corporate image	NNR Regulatory Information Conference	RM10: Conduct NNR Regulatory Information Conference	NNR Regulatory Information Conference	N/A	Host Regulatory Information Conference	N/A	N/A
3. Ensure financial viability and sustainability of the organisation	3.1 Develop mechanism to ensure financial viability and sustainability of the organisation	Report on the different sustainability mechanisms and recommendations	FM1: Financial risk report	Financial risk report	N/A	Assess risk of the financial viability and sustainability of the organisation	Report with recommendations	N/A

Goal	Objective	Measure	KPI	Annual target	Q1	Q 2	Q3	Q 4
	3.3: Increase procurement from previously disadvantaged individuals	% procurement from designated groups as a % of total procurement opportunities	FM2: % of procurement spend on designated groups ⁴	50% ⁵	N/A	50%	N/A	50%
4. Provide robust internal business processes	4.1 Build ICT capacity	Implement ICT strategic deliverables	PM1: % of implementation of deliverables	100%	Develop Implementation plan from ICT Strategy	35% Implementation of plan	75% Implementation of plan	100% Implementation of plan
	4.2 Maintain an effective internal audit program	No overdue actions to close out outstanding audit findings	PM2: Reduced number of outstanding audit findings	100% close off of audit findings per the action plan	Implement actions to close out overdue audit findings and provide status updates.	Implement actions to close out overdue audit findings and provide status updates.	Implement actions to close out overdue audit findings and provide status updates.	Implement actions to close out overdue audit findings and provide status updates.
5. Sustaining governance and effective system of internal controls	5.1 Ensure that governance principles are applied effectively in order to maintain a robust system of internal controls	Implementation of identified critical governance gaps in line with King IV	PM3:% Implementation of identified critical governance gaps in line with King IV	100%	Identify the critical gaps in governance protocols (King IV)	Address identified King IV gaps at Board level	Address identified King IV gaps at board committees level	N/A

⁴ Designated groups" are defined by Preferential Procurement Regulations 2017

⁵ The 50% refers to the number of tenders not to the value of procurement

Goal	Objective	Measure	KPI	Annual target	Q1	Q 2	Q3	Q 4
		Compliance report with applicable legislation and policy framework	PM4: Compliance with applicable legislation and policy framework	Annual legislative compliance report	Update regulatory universe and customize the compliance system	Training employees on legislative compliance	Monitoring and reporting on compliance	Monitoring and reporting on compliance
		% implementation of the enterprise risk management programme	PM5: % implementation of the enterprise risk management programme	100%	Implement of Q1 risk management plan	Implement of Q2 risk management plan	Implement of Q3 risk management plan	Implement of Q4 risk management plan
6. Valuing our people	6.1 Enhance staff communication and involvement	Development and implementation of an employee relations strategy	LM 1: % development and implementation of an employee relations strategy	100%	Develop and implement staff engagement process for consulting with stakeholders e.g. MANFOR, Union, management, employees etc.	Develop ER Strategy	Obtain approval and communicate strategy.	Implement identified initiatives for the quarter
	6.2 Leadership and management proficiency	Implementation of management and leadership development plan	LM2: % implementation of management and leadership development plan	100%	Identify training and development interventions and develop implementation plan	Implementation of training plan	Implementation of training plan	Implementation of training plan.

Goal	Objective	Measure	KPI	Annual target	Q1	Q 2	Q3	Q 4
	6.3 Implement productivity standards and measurements	Development and implementation of a work study programme	LM3: % development and implementation of a work study programme	100%	Research and develop work study programme	Approval of programme and implementation of change management process	25% implementation	50% implementation
	6.4 Ensure skilled competent employees	% implementation of structured approach of training and development	LM4: % implementation of structured approach of training and development	100%	Finalise training plan for identified interventions	Implementation of training plan	Implementation of training plan	Annual report

**RESOURCE
IMPLICATIONS**



**DETAILED
FINANCIALS**



18. RESOURCE IMPLICATIONS – DETAILED FINANCIALS

Projected Expenditure per Economic Classification

Statement of financial performance	Budget	Audited Outcome	Budget	Audited Outcome	Budget	Audited Outcome	Budget estimate	Revised estimate	Outcome/ Budget Average %	Average growth rate (%)	Expenditure/ total: Average (%)	Medium- term estimate			Average growth rate (%)	Expenditure/ total: Average (%)
R thousand	2014/15		2015/16		2016/17		2017/18		2014/15-2017/18			2018/19	2019/20	2020/21	2017/18 – 2020/21	
Revenue																
Tax revenue	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Non-tax revenue	137,149	146,679	147,887	159,873	174,534	183,563	198,145	198,145	83.1%	10.5%	83.7%	211,952	194,707	214,008	2.6%	85.2%
Sale of goods and services other than capital assets of which:																
Administrative fees	136,581	132,065	143,739	147,443	156,676	161,755	170,776	170,776	77.4%	8.9%	74.7%	180,339	190,438	210,042	7.1%	78.0%
Other non-tax revenue	568	14,614	4,148	12,430	17,858	21,808	27,369	27,369	5.7%	23.3%	9.1%	31,613	4,269	3,966	(47.5%)	7.2%
Transfers received	33,697	33,697	21,487	21,487	40,936	40,936	38,573	38,573	16.9%	4.6%	16.3%	16,510	43,096	45,466	5.6%	14.8%
Total revenue	170,846	180,376	169,374	181,360	215,470	224,499	236,718	236,718	100.0%	9.5%	100.0%	228,462	237,803	259,474	3.1%	100.0%
Expenses																
Current expenses	170,846	170,115	169,374	193,119	215,470	189,370	236,718	236,718	100.0%	11.6%	100.0%	228,462	237,803	259,474	3.1%	100.0%
Compensation of employees	106,952	105,284	108,716	122,353	118,428	124,331	138,156	138,156	60.0%	9.5%	62.3%	142,350	150,495	161,613	5.4%	61.6%
Goods and services	49,689	46,446	42,205	52,068	80,402	48,861	84,675	84,675	31.8%	22.2%	29.0%	72,025	72,432	82,503	0.9%	32.4%
Depreciation	8,373	12,316	13,090	12,774	11,886	10,468	9,801	9,801	5.6%	(7.3%)	5.9%	10,369	10,950	11,826	6.5%	4.5%
Interest, dividends and rent on land	5,832	6,069	5,363	5,924	4,754	5,710	4,086	4,086	2.6%	12.4%	2.8%	3,718	3,926	3,533	4.7%	1.6%
Total expenses	170,846	170,115	169,374	193,119	215,470	189,370	236,718	236,718	100.0%	11.6%	100.0%	228,462	237,803	259,474	3.1%	100.0%
Surplus/(Defi cit)	–	10,261	–	(11,759)	–	35,129	–	–		(100.0%)		–	–	–	–	

19. NOTES ON FINANCIALS

Administration

This programme will continue to receive a major share of the total budget of the organisation at an average of 47% during the MTEF period. The allocation covers most operational fixed costs such as rental, IT infrastructure, security, etc. the amount of R111 million estimated for 2018/19 financial year is equivalent to 8% for the R103 million allocated in 2017/18 financial year. Over the MTEF period, the programme will complete the Information Management System project which currently in progress to strengthen information security capacity.

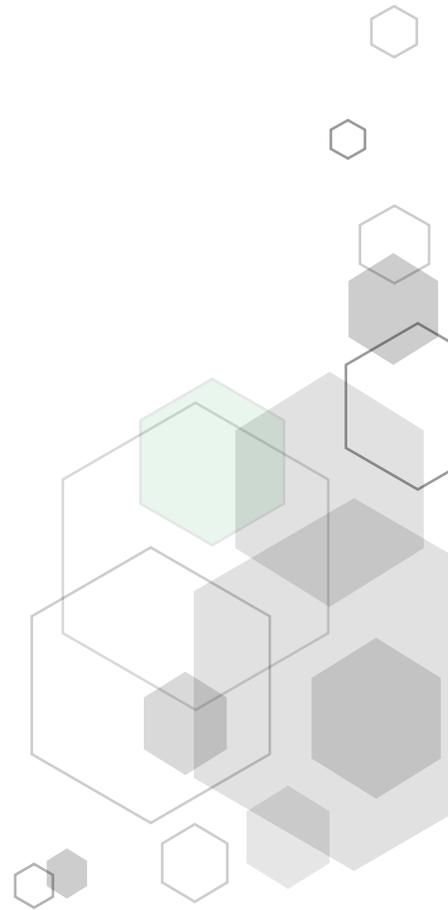
Standards Authorisations and Review Assessments

The expenditure for this programme is anticipated to drop significantly by about 20%. This is attributed to the planned work for NISL which its anticipated to be at a minimal in terms of the schedule. The functionality of CNSS would further reduce financial resources that was previously allocated to technical support work that will done internally through the CNSS. The capacity that was deployed in the NISL project, however, will be retained as it was incorporated into the organisational long-term resources plan.

Compliance Assurance and Enforcement

Expenditure in this programme is projected to be range bound and increase marginally by 6% in 2018/19 financial year. The programme will finalise the Inspector Training Programme project during this MTEF cycle. The Compliance Assurance Programme will be adjusted downward for the next three years as we introduce more qualitative measures on our compliance enforcement approach. The potential growth of the industry locally is still one of the biggest capacity risk for this programme as the industry can only recruit inspectors form the Regulator.







NATIONAL NUCLEAR REGULATOR

Head office

Postal address
PO Box 7016
Centurion, 0046

Physical address
Eco Glades Office Park, Eco Glades 2
Block G, Witch Hazel Avenue
Highveld Ext 75
Eco Park
Centurion
0157

Telephone: +27 12 674 7100
Fax: +27 12 663 5513
Email: enquiry@nnr.co.za
Website: www.nnr.co.za

Site office

Postal address
PO Box 46055
Kernkrag, 7441

Physical address
12 Raatz Drive
Delphi Arch Building
Tableview
Cape Town
7441

Telephone: +27 21 553 9500
Fax: +27 21 553 1361

Public access to information

Chief Information Officer
Dr Bismark Mzubanzi Tyobeka

Telephone: +27 12 674 7187
Fax: +27 12 663 5513
Email: bmtiyobeka@nnr.co.za

Deputy Information Officer
Mr Gino Moonsamy

Telephone: +27 12 674 7111
Fax: 086 588 4450
Email: gmoonsamy@nnr.co.za



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