



**STRATEGIC PLAN OF THE
NATIONAL NUCLEAR REGULATOR**

2014 – 2019





CONTENTS

PART A: STRATEGY OVERVIEW	
Vision	1
Mission Statement	1
Values	1
1. LEGISLATIVE AND OTHER MANDATES AND PROTOCOLS	
1.1 Constitutional Mandates	2
1.2 Legislative Mandates	2
1.3 Policy Mandates	3
A. Nuclear Energy Policy	3
B. Radioactive Waste Management Policy	4
C. International Conventions	4
2. SITUATIONAL ANALYSIS	
2.1 Description Of The Strategic Planning Process	5
2.2 Industry And Environmental Trends	5
2.2.1 Trends In Nuclear Regulation	5
2.2.2 Other Corporate Trends	6
2.3 Other Policy Discussions Potentially Impacting On The NNR	9
2.3.1 Early Engagement For The New Nuclear Build Programme	9
2.3.2 Steam Generator Replacement Programme At Knps	9
2.3.3 Safari -2	10
2.3.4 Waste Management Institute	10
2.4 Strengths, Weaknesses, Opportunities, Threats	11
2.5 Key Challenges	12
3. ORGANISATIONAL PERFORMANCE ENVIRONMENT	
3.1 Relevant Court Rulings	14
4. RISK MANAGEMENT	
PART B: STRATEGIC GOALS	
PART C: NNR FUNCTIONAL PORTFOLIOS	
PART D: CORPORATE BALANCED SCORECARD & ANNUAL PLAN (2014-15)	
PART E: FINANCIAL PROJECTIONS	

FOREWORD

The Strategic Plan stipulates the organisation's long-term intent and plans. These priorities are broken down into goals and objectives in order to address the breadth of the organisation's mandate.

The mandate of the organisation is defined in the NNR Act No. 47 of 1999. Whilst it encapsulates the broad functional requirements for the organisation, there remains a need to develop intermediate goals and objectives towards the eventual full realisation of the intended outcomes. The requirement from the National Treasury is that, the Strategic Plan spans a five year period, in this case being 2014-2019. This is structured in accordance with the requirements of the Framework for Strategic Plans¹ and Annual Performance Plans¹ of August 2010.

As the nation's nuclear regulator, the NNR's ultimate goal is to protect persons, property and the environment from nuclear damage. The NNR Act stipulates specific functional areas of focus and related expectations.

The strategic plan therefore integrates these obligations, stipulations and functions into priority areas and discusses how these are going to address the overall mandate of the organisation within the time frame specified.

OFFICIAL SIGN OFF

It is hereby certified that this Strategic Plan:

1. Was developed by the Board of Directors supported by management of the National Nuclear Regulator under the relevant provisions of the strategic framework policies as prescribed.
2. Takes into account all the relevant policies, legislation and other mandates for which the National Nuclear Regulator is responsible.
3. Accurately reflects the strategic outcome-oriented goals and objectives which the National Nuclear Regulator will endeavor to achieve over the period 2014-19, having considered its environment.



Dr BM Tyobeka
Chief Executive Officer



Dr Tracy Cohen
Chairperson of the Board of Directors

¹ Framework for Strategic Plans and Annual Performance Plans, August 2010



PART A **STRATEGIC OVERVIEW**

PART A

STRATEGY OVERVIEW

VISION

To be an independent world class regulatory authority on nuclear safety.

MISSION STATEMENT

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

VALUES

The values of the NNR are as stated in the table below:

The NNR appreciates that values in themselves, without descriptors are prone to a vast array of interpretation. Figure 1 demonstrates how these values are used as key building blocks of the organisation.

Thus the table below contains descriptors to reflect a commonly owned understanding and meaning to the espoused values.

Figure 1: NNR Values

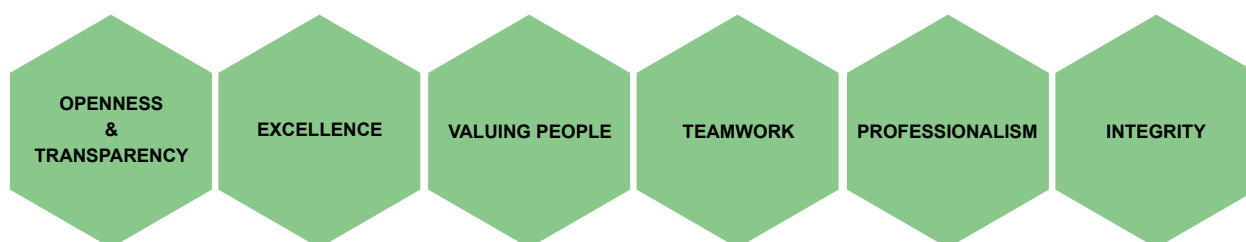


Table 1: NNR Value Descriptors

VALUE	DESCRIPTION
Professionalism	We hold ourselves accountable to the highest standards of professionalism in everything we do
Integrity	We demonstrate integrity and ethical conduct in all we do
Excellence	We strive for excellence in all we do
Valuing People	We demonstrate that we value our people in all we do
Team Work	We demonstrate a team working approach across the NNR
Openness and transparency	We demonstrate our accessibility through openness and transparency in our interactions with all stakeholders

1. LEGISLATIVE AND OTHER MANDATES AND PROTOCOLS

The NNR has been established in terms of the National Nuclear Regulator Act 47 of 1999. As with all state owned entities (SOEs), the NNR is obligated to comply with the Constitution of the Republic of South Africa of 1996 (Act No.108 of 1996) and other legislation including the National Environmental Management Act No. 107 Of 1998 (NEMA), Public Finance Management Act No. 1 of 1999 (PFMA), and Treasury Regulations (TR).

1.1 CONSTITUTIONAL MANDATES

The NNR Act gives effect to the Constitution by setting out mechanisms for the protection of persons, environment and property, thereby enhancing the quality of life, providing for the enjoyment of a right to life, a clean environment and the right to health as enshrined in the Bill of Rights. The NNR regulatory mandate seeks to give effect to the true enjoyment and fulfillment of these rights by providing a mechanism for achieving an environment that is underpinned by safety from nuclear damage.

1.2 LEGISLATIVE MANDATES

Section 5 of the NNR Act provides that the objectives of the Regulator as shown in Table 2 below as:

Table 2: NNR Act Specific Objectives

1.	Provide for the protection of persons, property and the environment against nuclear damage through the establishment of safety standards and regulatory practices;
2.	Exercise regulatory control related to safety over the siting, design, construction, operation, manufacture of component parts, and decontamination, decommissioning and closure of nuclear installations;
3.	Exercise regulatory control over other actions, to which this Act applies, through the granting of nuclear authorisations;
4.	Provide assurance of compliance with the conditions of nuclear authorisations through the implementation of a system of compliance inspections;
5.	Fulfill national obligations in respect of international legal instruments concerning nuclear safety;
6.	Ensure that provisions for nuclear emergency planning are in place.

Furthermore, Section 7 of the Act stipulates the functions of the Regulator and they are given, in abridged form, in Table 3 below:

Table 3: NNR Functions

1.	Grant or amend nuclear authorisations;
2.	Employ assets and deploy resources (hire, purchase, acquire);
3.	Collaborate with other institutions for the collection and dissemination of scientific and technical information regarding nuclear energy;
4.	Collaborate with other institutions regarding provision of instruction for or training of persons required by the NNR;
5.	Provide financial and other assistance for the training of people to enable the NNR to perform its functions;
6.	Insure itself against loss, damage, risk or liability;
7.	Advise the Minister on matters associated with any action or condition which; (a) is capable of causing nuclear damage; (b) the Minister refers to the Regulator; or (c) the Regulator thinks necessary.
8.	Act as national competent authority in connection with International Atomic Energy Agency's Regulations;
9.	Conclude contracts to enhance the value of the services rendered by the NNR;
10.	Prepare & submit an annual report on the health & safety of workers, the public and environment associated with all sites.

1.3 POLICY MANDATES

The aforementioned mandate of the NNR as the competent authority for nuclear regulation in South Africa is articulated in a number of policy documents or instruments as reflected herein below:

a. Nuclear Energy Policy

The Nuclear Energy Policy of the Republic of South Africa was published in June 2008. This policy presents a framework within which prospecting, mining, milling and use of nuclear materials as well as the development and utilisation of nuclear energy for peaceful purposes by South Africa shall take place. The document covers amongst others:

- the prospecting and mining of uranium ore and any other ores containing nuclear properties and materials.
- the nuclear fuel cycle in its entirety, focusing on all applications of nuclear technology for energy generation.

One of the sixteen principles of this Policy is that Nuclear Energy shall be used as part of South Africa's diversification of primary energy sources and to ensure security of energy supply.

b. Radioactive Waste Management Policy and Strategy for the Republic

In carrying out its regulatory mandate, the NNR ensures that policy guidelines and principles relating to radioactive waste management are supported for purposes of ensuring safety. The requirements relating to the management of radioactive waste are assessed and compliance is monitored for NNR authorisation holders.

c. International Conventions

The NNR is a member of the International Atomic Energy Agency (IAEA) and is as such subject to industry specific international obligations in order to effectively assure nuclear safety. The assurance of nuclear safety is reinforced by a number of international instruments. These include certain Conventions such as the Convention on Nuclear Safety and Joint Convention on the Safety of Spent Fuel Management and on the Safety of Radioactive Waste Management that are legally binding on the participating States. South Africa, as a contracting party to these conventions is obliged to adhere to the articles of these conventions and to provide regular reports on compliance to these conventions and is subject to comments from peers to learn from best practices in an endeavour to strengthen nuclear safety. One of the objects of the NNR is to fulfill national obligations in respect of international nuclear instruments concerning nuclear safety such as the conventions mentioned above.

Furthermore, during the Nuclear Security Summits of 2010 and 2012, the State President, Mr Jacob G Zuma gave commitments to adopt international conventions and UN Security Council Resolutions as affecting the global concern of Nuclear Terrorism, and advance capacity to strengthen physical protection systems and skills base in the South African nuclear sector.

Although traditionally addressed by the nuclear regulator as an integral part of its nuclear safety mandate, considerable extra impetus continues to be given to issues related to nuclear security. This has resulted from the heightened international attention paid to this matter and increasingly it occupies the attention of the NNR. In this regard, NNR involvement is expected to be maintained associated with the following:

- The Convention on the Physical Protection of Nuclear Material (CPPNM) and its 2005 amendment.
- The International Convention for the Suppression of Acts of Nuclear Terrorism.
- The United Nations Security Council Resolution 1540.

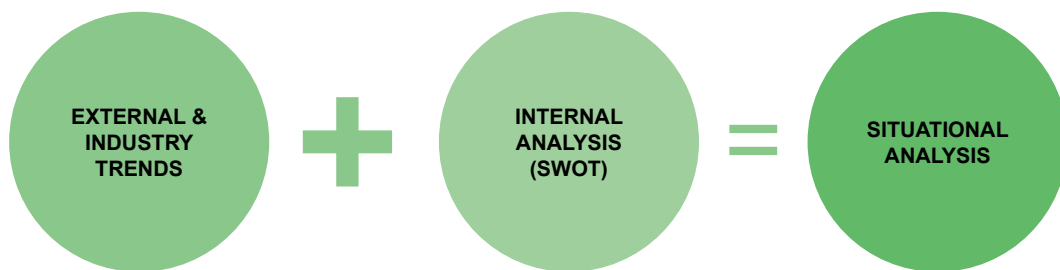
All member states to the UN and the IAEA are subject to these international instruments to prevent unauthorised access to / or illegal diversion of nuclear or radioactive material which can possibly be used for malicious actions.

2. SITUATIONAL ANALYSIS

2.1 DESCRIPTION OF THE STRATEGIC PLANNING PROCESS

The strategy formulation process of the NNR is inclusive, focusing on how both the external and internal factors impact on the future operating environment of the organisation. As illustrated in Figure 2 the situational analysis was arrived at through the analysis of industry specific and environmental trends in terms of their impact or influence on the business of the organisation. In addition, a review of the organisation's SWOT was conducted to give sight to current corporate trends pertaining to the organisation's business.

Figure 2: Elements of Situational Analysis



These factors are reviewed on an annual basis during the strategic planning process as they have an impact on the organisation's ability to deliver on its mandate as well as to assist management to position the organisation for future developments.

2.2 INDUSTRY AND ENVIRONMENTAL TRENDS

In identifying trends impacting on NNR business, the organisation is not seeking to motivate for the adoption of all trends as a matter of practice. The exercise is meant to provide input as an overall environmental scan relevant to the organisation's industry to allow the organisation to make contextual decisions as it sets its own strategic goals. For the 2014-2019 planning cycle the review of environmental trend analysis highlighted the following:

2.2.1 Trends in Nuclear Regulation

1. Post Fukushima: The IAEA Action Plan for Nuclear Safety has been to enhance transparency and effectiveness of communication and improve dissemination of Information.
2. Communication and consultation are subject to Requirement 36 of the IAEA Standard GSR Part 1 – Governmental, Legal and Regulatory Framework for Safety.
3. Heightened public interest of environmental contamination issues stemming from mining activities.

4. Strengthened IAEA Safety Standards and implementation of the nuclear safety action plan in response to Fukushima accident.
5. Review of new technologies and international harmonisation of regulatory requirements.
6. Public understanding of nuclear and radiological safety requires regulatory effectiveness and transparency.
7. Ageing of the KNPS i.e. Plant life extension, SGR, TPU and waste and spent fuel management.
8. IAEA Member States are informed every 3 to 4 years on the basis of the IAEA Nuclear Security Plan to establish and advance their respective security arrangements for the prevention of, detection of and response to insider or outsider adversaries who may attempt to divert, handle, process or remove nuclear material or radioactive material from authorised regulatory control.
9. Institutionalisation of Nuclear Security framework in the nuclear industry through the revised NNR Act which will make provision for nuclear security regulatory conditions during current and envisaged nuclear programmes in South Africa.
10. Fulfilling national and international obligations by developing and implementing the Nuclear Security regulatory framework.
11. The NNR has been identified as a role player in the development of required NNEECC industrial processes and associated regulatory preparedness towards the envisaged Nuclear Expansion programme.

2.2.2 Other Corporate Trends

Corporate trends were sourced from a combination of the SOE sector in South Africa, corporate entities locally and globally as well as from global nuclear regulators. The trends do not necessarily reflect NNR reality as that aspect is covered fully in the internal analysis (Section 2.3).

2.2.2.1 Trends in Internal Audit

General industry trends in the field of internal audit can be summed up with the statement that stakeholders are not aligned on how well internal audit is performing. Three significant issues affecting the majority of internal audit departments' ability to deliver more value are cited as trends in this strategic plan. It is important to note that these have been directly sourced from a recent study by ²Price Water House Coopers as cited below:

- Management and Board members are not aligned on their perception of internal audit;s value and performance, and it appears as if board members may be settling for too little. A far

Source: PWC 2013 State of the internal audit profession study: Reaching greater heights

²Price Waterhouse Coopers conducted a study on the status of the Internal audit profession in 2013 entitled: State of the internal audit profession study- Reaching greater heights

greater percentage of board members than management believe internal audit contributes significant value. While board members rated internal audit's value contribution as high, they rated the function's performance in core attributes, such as promoting quality improvement, much lower, indicating they have relatively low expectations of their internal audit function.

- The foundational capabilities of internal audit may not be strong enough to deliver today's work nor secure enough to build upon to generate greater value i.e. As companies raise the bar on their own performance to contend with the ever-changing risk landscape and the greater regulatory and stakeholder expectations placed on them, they're not raising the bar on internal audit at the same pace.
- Internal audit continues to struggle in maximizing the impact of its contribution, particularly in areas outside of its more traditional focus. Stakeholders are least satisfied with internal audit's contribution in emerging risk areas, such as large programme assessment, new product introductions, capital project management and others.

2.2.2.2 Trends in Financial Management

The landscape of financial management for SOEs in South Africa is managed through various frameworks as mandated by the National Treasury. Key amongst these frameworks and guidelines is the PFMA which encapsulates most of these requirements. Of note in the current trends are:

- The National Treasury's establishment of Procurement General's division is expected to bring more stringent regulatory regime in this environment.
- The amendment of the NNR Act and implementation of the new funding model will bring a new dimension on administration of funds.
- The review of National Treasury regulations underway is bound to have both negative and positive impact on schedule 3A entities.

2.2.2.3 Trends in Human Resource Management

Regarding human resources management, there was a heavy leaning towards trends in the nuclear regulation sector in light of the impending nuclear expansion programme and for the NNR to gain insight and perspective into trends in this area. Below are prevailing trends as identified:

- There is a move towards building relationships with educational and professional institutions.
- Expatriate programmes with knowledge transfer strategies, particularly for Nuclear Expansion programmes are increasingly becoming the norm.
- Regulators are adopting a Systematic Approach to Training.

- There is implementation of competency based Performance Management System at IAEA affiliates.
- There is implementation of Talent Management strategy rollout.

2.2.2.4 Trends in Corporate Governance

Trends in corporate governance are gleaned from the KING III Code as well as other best practice sources as follows:

- There is increased momentum towards the establishment of a Governance Risk and Compliance function.
- Ethics management is promoted for a culture of organisational integrity.
- Integrated reporting is becoming the norm.
- Alternative Dispute Resolution (ADR) is an enforceable clause in contract negotiation for most companies, as an alternative to resorting to the courts for dispute resolution which can be lengthy and costly.
- Adoption of Risk Based Internal Audits.
- Directors' Role & Remuneration is becoming a focus area in order to enhance independence.
- The focus on process governance is in the ICT and Knowledge Management portfolios.
- The evaluation of Board's performance is now a standard activity.

2.2.2.5 Trends in Strategy Management and Execution

Industry wide the focus of strategy management and execution has been to optimise the following aspects:

- Investment in strategy execution
 - Ensuring that systems and tools (ICT, business process management) are optimised as business enablers.
 - Having a dedicated office or in-house portfolio management as opposed to outsourcing to and being reliant on consultants.
- Focus on strategy execution barometers, these being aspects that organisations overall self-assess the veracity of their strategies with regard to the following:
- Implementation of Theory 'Z' management in order to increase employee loyalty to promote stable employment, high productivity, and high employee morale and satisfaction.

- Drive towards achieving Operational Excellence through implementation of a variety of tools and approaches.

2.3 OTHER POLICY DISCUSSIONS POTENTIALLY IMPACTING ON THE NNR

2.3.1 Early Engagement for the New Nuclear Build Programme

The government's Integrated Resource Plan for Electricity 2010-2030 (IRP) report indicates that 1600 MW of additional nuclear generation capacity must be in place by 2023. For this to be possible the licensing of a new nuclear power station would have to commence during 2013 at the latest, and the preliminary licensing engagement should start as soon as possible. The NNR has been identified as one of the role players in the in the deliberations of the Sub-Working Groups of the National (NNEECC) covering, inter alia, matters of regulatory concern within the purview of the NNR, leading towards the envisaged nuclear expansion programme (IRP 2010).

The NNR has begun efforts towards commencing with the early engagement with Eskom on long term aspects such as specifications, vendor qualification, manufacturing, site safety analysis, the Site Safety Report, including the Seismic Hazard Assessment for the relevant site.

In light of the IRP report a pipeline of NNR technical staff should be established for a fully-fledged new build project. Currently the NNR has developed regulations on siting of new nuclear power plants and on control of developments, as well as a strategy document for this project - Licensing of New Nuclear Power Plant SD-0003.

Position papers have been developed addressing a number of key issues such as:

- i. External events
- ii. Vendor standards
- iii. Manufacturing
- iv. Emergency planning zones
- v. Authorisations

2.3.2 Steam Generator Replacement programme at Koeberg Nuclear Power Station

The NNR has received submissions on the proposed long term asset management interventions (LTAM) at Koeberg, including TPU-SGR-PLEX (Thermal Power Uprate (TPU), Steam Generator replacement (SGR) and Plant Life Extension (PLEX) from ESKOM. TPU is to involve a 10% increase in reactor thermal power. The SGR project involves replacement of 6 steam generators (3 for each unit), which form a major part of the primary circuit connected to the reactors via pipework. The Department of Public Enterprises has approved the SGR project. Approval for TPU and PLEX will be requested at a later stage. The SGR project makes provision for TPU in the sizing of the new steam generators and in the safety analysis.

- The NNR role is to review the licensee safety assessment to:
- Verify compliance with nuclear safety criteria;
- Verify that the safety assessment entails an acceptable analysis of the aspects of design and operation that are relevant to safety, including the analysis of risks associated with normal conditions and accident situations;
- Verify that the methods of analyses are appropriate for use and comply with licensing conditions;
- Ensure through various manufacturing oversight activities, that the characteristics of the components being manufactured are consistent with the material and design specifications;
- Ensure through various oversight activities, that the installation, testing and commissioning programme verifies the ability to operate the modified plant safely at the new operating conditions;
- Verify the quality of the safety assessment as evidenced by the professional competence, independence and integrity of the operator's experts and of the assessment and justification process itself.

Given the additional licensing effort, and the variations of its intensity over time, there will be implications on licence fees.

2.3.3 Safari -2

The South African Nuclear Energy Corporation (NECSA) has initiated the process of replacing its ageing SAFARI 1 research reactor with a new one, SAFARI 2. This facility, as is the case with the current one, will be required to go through the NNR licensing process.

2.3.4 Waste Management Institute

Cabinet has recently approved the appointment of a Board of Directors of the National Radioactive Waste Disposal Institute. The National Radioactive Waste Disposal Institute act was promulgated in 2008 and applies to all radioactive waste in South Africa. The institute will be a schedule 3A entity in terms of the PFMA whose operations will be regulated by the NNR. The establishment of the institute will have an impact on the capacity of the NNR with regard to its ability to conduct the full spectrum of regulatory activities. The establishment of the Institute will also have an impact on future authorisation fees emanating from NECSA as this will represent a portion of its current scope of work.

2.4 STRENGTHS, WEAKNESSES, OPPORTUNITIES, THREATS

A SWOT analysis to determine internal dynamics was conducted and highlighted the issues, as shown in Figure 3 below.

Figure 3: SWOT Analysis

Strengths

- Effective governance frameworks
- Participation in and contribution to National and International activities
- Established regulatory processes
- Appropriate response regarding attendance to emerging and urgent issues i.e. radioactive material in the public domain
- Staff with developed regulatory and facility expertise
- Youthful manpower capable of delivering under pressure and eager to learn and grow
- Alignment with Treasury framework of reporting
- Best practice applications to bridge performance gaps e.g. business excellence
- Improved performance reporting

Weakness

- The scope of work is vast with limited human resources to implement strategic projects timeously
- There are deficiencies in the current organisational structure
- Onerous and cumbersome compliance and reporting requirements
- Office space and infrastructure constrains in view of the nuclear expansion programme
- Capacity in implementing the full spectrum of community outreach programmes
- Approval and implementation of the proposed funding model
- No legislative mandate to carryout nuclear security activities (they are based on Regulations but not on the ACT)

Opportunities

- Aligning communication with Requirement 36 of the IAEA Standard GSR part 1
- Exchange of staff with other countries that are
- Currently engaging on Nuclear expansion (training, benchmarking)
- Amendment to the NNRA i.e. Penalty system to improve compliance
- Conducive environment to improve employee relations
- Benchmarks in relation to New Nuclear Expansion at different functional levels (cross cutting) i.e. Exposure to new technologies; Availability of technical information; Development of improved regulatory framework
- The practice of regulatory nuclear activity in line with international best practise i.e. encompassing the SSS philosophy, that is, Safety, Security & Safeguards, as espoused in the energy policy

Figure 3: SWOT Analysis (continued)

Threats

- Breakdown in stakeholder trust and confidence as a result of ignorance of nuclear safety & security of the NNR
- Staff attrition due to attraction to New Build opportunities elsewhere
- Risks affecting the nuclear industry relevant to the NNR may not be identified and addressed on time.
- Uncertainty in developments in Energy sector may lead to an unfocused strategy
- Unresolved labour relations issues
- Unionised management
- Limited pool of specialised (nuclear regulatory) skills
- Unchecked control of developments around nuclear power plant(s)

2.5 KEY CHALLENGES

A summarised version of the SWOT analysis identified specific challenges for the Regulator. These key challenges were categorised as follows:

Policy related challenges

- i. Delays in policy implementation with regard to nuclear developments is impacting on planning.

Regulatory challenges

- i. Ineffective engagement with other organs of state.
- ii. Capacity to regulate ageing nuclear installations (this requires specific expertise and presents technical challenges).
- iii. Weak external communications.

Internal challenges

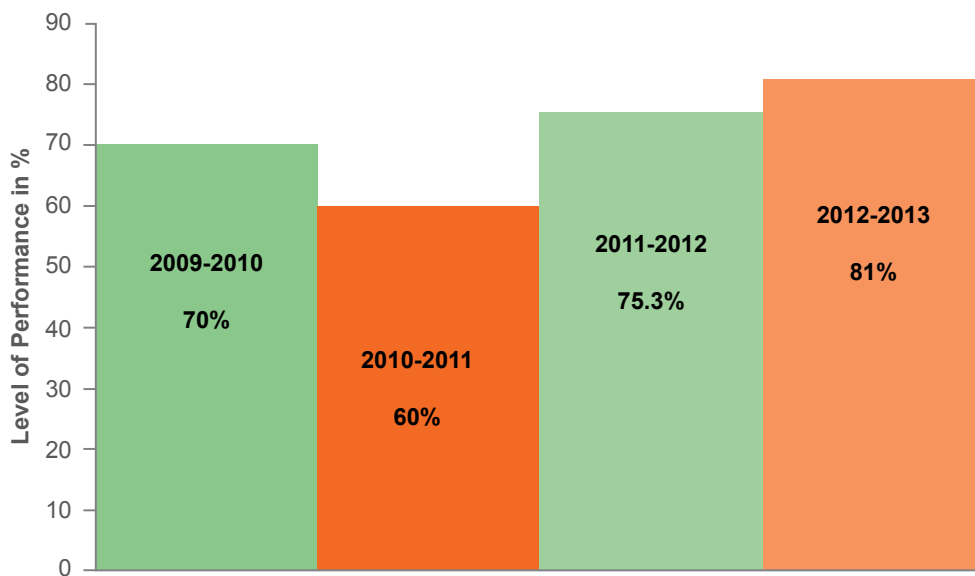
- i. Execution of the talent management programme across the organisation due to capacity constrains (acquisition, development ,mentorship, coaching, OJT, Leadership development succession planning, career pathing, retention)
- ii. Unionised management.
- iii. Knowledge management required for corporate memory etc.
- iv. Weak internal communication.

The SWOT analysis process as well as the identification of the challenges is meant to focus the development of objectives and actions plans towards addressing them. The NNR typically subsumes identified weaknesses and opportunities as part of its Annual Performance Plan (APP) actions. The threats are aligned with the Risk Management framework where targeted controls are put in place to manage them. In addition, the organisation implements a number of operational excellence programmes to address weaknesses, challenges and gaps.

3. ORGANISATIONAL PERFORMANCE ENVIRONMENT

Organisational performance evaluation has increasingly become an important aspect of strategic planning process. Below is a depiction of the entity’s performance trends over four years. This should be read as reflecting the organisation’s level of achievement against set objectives.

Figure 4: NNR Performance Trends



The NNR achieved 81% performance against the predetermined targets for the financial year 2012/13. This marks an improvement from the last year’s performance by 6%. NNR performance since 2009 is shown in Figure 4.

For the 2014/15 performance cycle, the bar has been set at 80%.

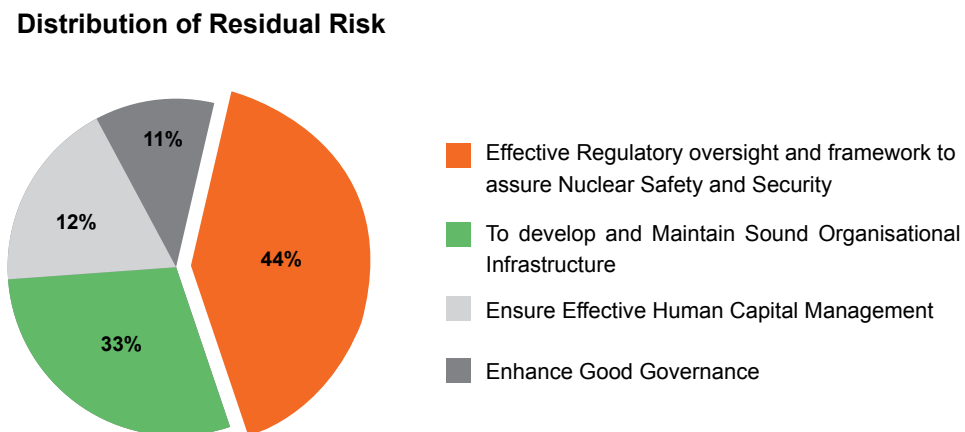
3.1 RELEVANT COURT RULINGS

Currently, there are no significant and relevant court rulings that might impact the service delivery obligations of the NNR. In the previous 2 cycles, the ruling impacting the NNR’s regulatory processes pertaining to property and urban development’s surrounding nuclear installations is still material in this strategy cycle. The reference point remains the previously cited case of McDonalds’ vs NNR and the Minister of Energy in terms of which the court invalidated the NNR guidance documents which sought to prohibit developments around the Koeberg Emergency Zone. The court ruled that the Minister could not delegate the function of developing regulations to control developments to the NNR. Accordingly this matter is being addressed through the development of the regulations that seek to control development around nuclear installations, which are currently under consultation with the City of Cape Town for approval by the Minister.

4. RISK MANAGEMENT

As part of good governance practice, a risk assessment is conducted on an annual basis on the strategic plan and all aspects of operations. The NNR discloses quarterly and annually, the efforts that management has taken to ensure that risks facing the entity are effectively managed. These efforts are being integrated into the functional activities to ensure implementation and compliance at operational levels as well. The risks are to be read as potential realities as opposed to current realities. These are identified in order to give the reader the comfort that during strategic planning, all possible eventualities are considered and factored into the process.

Figure 5: Distribution of Residual Risk



The above captures the top ten risks identified by the organisation across 4 key strategic objectives. These risks are monitored together with the implementation of controls whose purpose is to serve as mitigating factors.



PART B **STRATEGIC GOALS**

PART B

STRATEGIC GOALS

The NNR has adopted the following strategic goals:

1. Effective Regulatory oversight and framework to assure Nuclear Safety and Security.
2. Strengthen stakeholder relations and enhance corporate image.
3. Create a high performance culture.
4. Ensure financial viability and sustainability of the organisation.
5. Develop and maintain sound organisational infrastructure.
6. Enhance good governance.
7. Ensure effective Human Capital Management.

These are elaborated in the table below:

Table 4: NNR Strategic Goals

Goal 1	To Provide Efficient and Effective Nuclear Regulatory Services
Goal Statement	<ul style="list-style-type: none"> • Develop and implement regulatory standards for regulation of NPPs, fuel cycle, research reactors, NORM facilities and other actions. • Regulate the safe operation of existing holders and prepare for applications related to nuclear expansion programme. • Conduct regulatory emergency preparedness to conduct reviews and assessments. • To establish a Nuclear Security Strategy and Policy and Nuclear Security Culture to enable establishment of effective Nuclear Security Regulations and associated technical guidance. • Enhance regulatory programmes and apply safety focused research (to inform regulatory capacity). • Provide assurance of safety performance of holders through inspections, audits, investigations and taking of enforcement action for identified non-compliances. • Strengthen independent analytical verification capability and capacity within the NNR. • Fulfil international obligations in terms of the various conventions over which the NNR has jurisdiction.

Table 4: NNR Strategic Goals (continued)

Goal 2	Strengthen Stakeholder Relations and Enhance the Corporate Image of the NNR
Goal Statement	<ul style="list-style-type: none"> • Effective communication services to increase awareness of the NNR through regular and structured engagement with relevant stakeholders. • Media liaison that manages on-going interaction and communication between the media and the NNR. • Online presence which updates and maintains the content of the NNR website. • Stakeholder engagement which facilitates national and international cooperation. • Implement a sound corporate social responsibility programme.
Goal 3	Create a High Performance Culture
Goal Statement	<ul style="list-style-type: none"> • Defined and established set of regulatory safety standards and internal service standards. • Institute and maintain performance management system for the organisation. • Maintain a system for monitoring adherence to service level standards and agreements.
Goal 4	Ensure Financial Viability and Sustainability of the Organisation
Goal Statement	<ul style="list-style-type: none"> • Implement procedures for effective and efficient financial management. • Review financial liability framework and verify the adequacy of the level of financial security as entailed in the NNR Act. • Ensure adequate cash flow and liquidity of the NNR.
Goal 5	Develop and Maintain Sound Organisational Infrastructure
Goal Statement	<ul style="list-style-type: none"> • Implement a knowledge management system. • Maintain building infrastructure. • Maintain sound ICT systems to support operations infrastructure. • Maintain an ergonomically friendly environment.
Goal 6	Enhance Good Governance
Goal Statement	<ul style="list-style-type: none"> • Improve and maintain a system of internal controls. • Ensure compliance with applicable legislation and policy framework. • Maintain independent and effective governance structures.
Goal 7	Ensure Effective Human Capital Management
Goal Statement	<ul style="list-style-type: none"> • Attract, develop and retain skilled staff. • Implement effective talent management and succession planning measures. • Institute capacity development measures. • Implement an effective performance management system. • Maintain a positive employee relations environment. • Develop and implement Employment Equity targets (EE etc.).



PART C

NNR FUNCTIONAL PORTFOLIOS

PART C

NNR FUNCTIONAL PORTFOLIOS

Below are broad descriptions of NNR current functional portfolios and their mandates. These are where the Strategic goals and priorities as described above in Table 5, are driven from.

Table 5: NNR Functional Portfolios

FUNCTION	PURPOSE
Standards Authorisations and Reviews Assessments (SARA)	<p>The Standards, Authorisations Reviews and Assessments (SARA) division provides strategic leadership and management in the following areas:</p> <ol style="list-style-type: none"> 1. Authorisations for Nuclear Vehicle 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, nuclear security, structural analysis, nuclear engineering and structural engineering. 2. The Reviews and Assessments are conducted in accordance with safety, security and requirements in respect of nuclear, radiation, transport and waste management. 3. Managing of special projects such as the Fukushima project, Radiation Protection and Nuclear New Build. 4. Research and development is conducted on emerging issues.
Compliance Assurance and Enforcement (CAE) Division	<p>The Compliance Assurance and Enforcement (CAE) division provides strategic leadership and management of the compliance and enforcement activities, processes and programmes for all the regulated nuclear technologies. The CAE 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:</p> <ol style="list-style-type: none"> 1. Conducting compliance assurance inspections 2. Audits 3. Investigations 4. Surveillances 5. Environmental monitoring and sampling

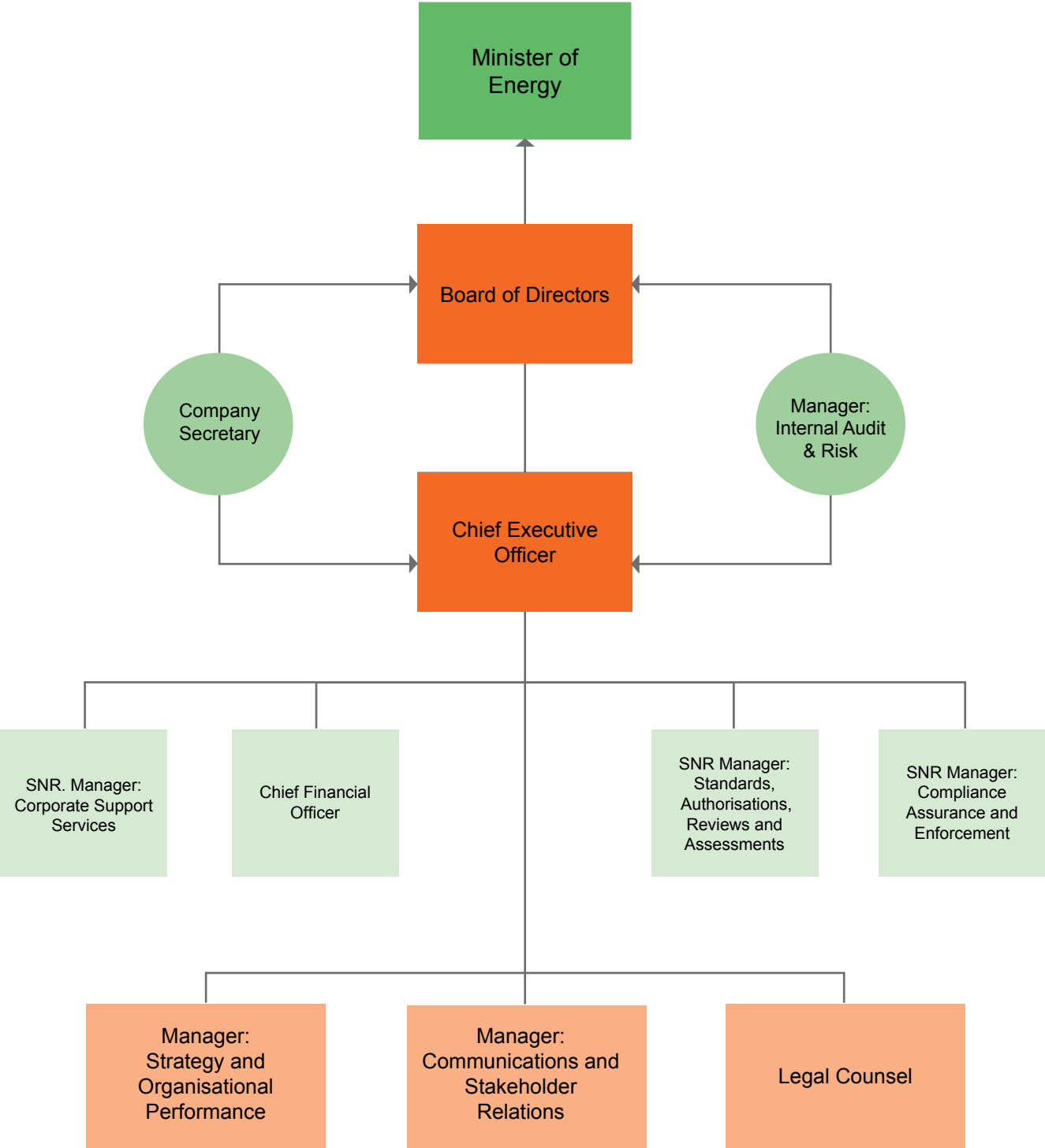
FUNCTION	PURPOSE
Communication & Stakeholder Relations	<p>The Communication and Stakeholder Relations portfolio provides strategic communications leadership, works with technical experts to develop plain language communications products and maintains various stakeholder communications tools, such as website, annual reports, nuclear safety reports and newsletters. It coordinates and manages responses to enquiries from parliament, the public, media and other key stakeholders. This portfolio focuses on the NNR's commitment to develop and maintain public confidence in the nuclear regulatory regime through working openly and transparently with stakeholders to achieve this goal. This portfolio also manages international liaison and the coordination of regulatory cooperation with bilateral counterparts.</p>
Corporate Support Services	<p>This portfolio provides strategic leadership and direction in the areas of:</p> <ol style="list-style-type: none"> 1. Human Capital Management; 2. Facilities Management; 3. ICT; and 4. Occupational Health and Safety. <p>The primary focus of the programme is in ensuring efficient processes and resources in support of the organisation's strategic objectives.</p>
Financial Management & Administration	<p>This portfolio provides strategic financial leadership for the purposes of managing and directing the Finances of the NNR. The management includes financial planning, financial reporting, safeguarding of assets, and enforcing adherence to applicable legislations, effective supply chain processes and efficient usage of public funds. The programme also covers oversight role in implementing financial systems that supports robust systems of internal control.</p>
Internal Audit	<p>Internal audit provides assurance to the NNR's stakeholders, that the organisation operates in a responsible manner by performing the following functions, amongst others:</p> <ol style="list-style-type: none"> 1. Evaluating the organisation's governance processes including ethics, especially the "tone at the top". 2. Performing an objective assessment of the effectiveness of risk management (outsourced) and the internal control framework. 3. Systematically analyzing the effectiveness of internal controls through evaluation of business processes. 4. Providing a source of information, as appropriate, regarding instances of fraud, corruption, unethical behavior and irregularities. <p>Internal Audit reports functionally to the Audit and Risk Management Committee (ARMCOM) and administratively to the CEO.</p>

Table 5: NNR Functional Portfolios (continued)

FUNCTION	PURPOSE
Risk Management	Risk management is a systematic and formalised process instituted by the organisation to identify, assess, manage and monitor risks. The Internal Audit and Risk department assists management by co-ordinating and facilitating the risk management activities within the NNR.
Company Secretariat	<p>This portfolio provides for strategic leadership. It also ensures the effective and efficient functioning of the Board and its Committees. This is done through providing the Board with quality, consistent and responsive administrative and logistical support.</p> <p>It also assists the Board and Board members to discharge their role and responsibilities in providing guidance on good corporate governance principles and practices for the Board and the organisation as a whole.</p>
Legal Counsel	The purpose of this function is to provide the organisation comprehensive legal advice and support on all legal matters.
Strategy Management Organisational Performance	<p>The Board sets strategic direction and the CEO ensures implementation.</p> <p>The purpose of this function is to ensure formulation, development and execution of the strategy in line with the organisation's mandate as per the NNR Act, utilizing a Strategic Plan that is aligned to National Planning Framework for SOEs.</p> <p>The function also monitors and evaluates organisation performance at both operational and strategic levels, providing performance enhancing solutions that address performance gaps that will aid in the attainment of performance targets and intended outcomes. These solutions include the implementation of appropriate quality management systems and operational excellence tools.</p>

The achievement of NNR objectives and implementation of the NNR functions are through the organisational structure, depicted in Figure 5.

Figure 5: Organisational Structure





PART D
**CORPORATE BALANCED
SCORECARD & ANNUAL PLAN
(2014-15)**

PART D

CORPORATE BALANCED SCORECARD & ANNUAL PLAN (2014-15)

The NNR has adopted the balanced scorecard methodology to implement and monitor the implementation of its strategic plan. The balanced scorecard approach will facilitate the cascading and communication of the strategy to the entire organisation and its stakeholders.

The seven (7) strategic priorities have been mapped on the corporate balance scorecard as follows:

Figure 6: The NNR Scorecard



The strategic priorities have been mapped into a balanced scorecard and high level measures of success have been identified in order to clarify execution. Below follows the NNR strategic objectives for the 2014-2019 cycles as well as the 2014-2015 annual plan.

The Tables 6a and 6b on the next page contains NNR Strategic goals with corresponding objectives.

The strategic goals are broken down into specific objectives to ensure coverage of all priorities. Furthermore and in line with the SMART principle which requires strategic objectives to be specific, measurable, achievable, realistic and time bound, the objectives are presented in the Forecasted Annual Plan and the subsequent 2014/5 Annual plan in Table 8 in the following section.

Table 6a: Strategic Objectives 2014-19

STRATEGIC GOALS	PROPOSED STRATEGIC OBJECTIVES
<p>1. Effective Regulatory oversight and framework to assure Nuclear Safety and Security</p>	<ol style="list-style-type: none"> 1. To process applications for nuclear authorisations in a timely and accurate manner. 2. To assure that holders have an effective emergency preparedness plan. 3. To benchmark and update nuclear safety and security standards and regulatory practices in line with national & international standards and requirements. 4. To establish an independent environmental radio-analytical laboratory. 5. To provide compliance assurance of nuclear safety and security through inspections, audits, investigations and taking of enforcement action for identified non-compliance. 6. To strengthen the NNR ability to undertake independent verification through the use of computer codes. 7. To ensure that the NNR responds to initiatives related to nuclear expansion. 8. To assure effective implementation of nuclear security measures. 9. To undertake regulatory research that ensures that the regulatory regime is strengthened.

Table 6b: Strategic Objectives 2014-19

STRATEGIC GOALS	PROPOSED STRATEGIC OBJECTIVES
<p>2. Strengthen stakeholder relations and enhance corporate image</p>	<ol style="list-style-type: none"> a. To strengthen stakeholder relations and improve public awareness.
<p>3. Create a high performance culture</p>	<ol style="list-style-type: none"> a. To establish and maintain a high performance culture through effective performance systems and people management.
<p>4. Ensure financial viability and sustainability of the organisation</p>	<ol style="list-style-type: none"> a. To ensure prudent financial management. b. To ensure that the NNR continues to remain a financially viable entity.
<p>5. Develop and maintain sound organisational infrastructure</p>	<ol style="list-style-type: none"> a. To implement and maintain ICT solutions that support business processes. b. To implement adequate physical infrastructure that creates a conducive working environment.

Table 6b: Strategic Objectives 2014-19 (continued)

STRATEGIC GOALS	PROPOSED STRATEGIC OBJECTIVES
6. Enhance good governance	<ul style="list-style-type: none"> a. To improve and maintain an effective system of internal controls. b. To improve and maintain an effective system of risk management. c. To ensure compliance with applicable legislation and policy frameworks. d. To ensure continuous development and maintenance of independent and effective governance structures. e. To improve and maintain an effective internal audit system.
7. Ensure effective Human Capital Management	<ul style="list-style-type: none"> a. To ensure effective talent management.

5 YEAR PERFORMANCE FORECAST

In order to give effect to the achievement of objectives, specific targets to cover the five year planning period are set, indicating anticipated levels of performance. This exercise is also done for purposes of budgeting and planning for resources allocation which can be found in PART D of this document.

Table 7: Five (5) Year Performance Forecasts

MEASURE	KPI	2014/15	2015/16	2016/17	2017/18	2018/19
CM1a: Level of responsiveness on various authorisations	CM1b: Number of days (Turn-around time (TAT))	CoR:90 days; COE:180 days; NVL:180 days; <20% deviation on plan				
CM1b: Ratio of work performed against work planned for reviews & assessments	% of total agreed schedule	100%	100%	100%	100%	100%
CM2a: Quality compliance assurance activities conducted	CM2a: The quantity of activities conducted in the categories of NORM, NTWP, KNPS & NucSec	Inspection NPP: 46 NTWP: 118 NORM: 196 NucSec: 29 Audits NPP: 2 NTWP: 4 NORM: 12 NucSec: 2	Inspection NPP:46 NTWP: 118 NORM: 196 NucSec:29 Audits NPP: 1 NTWP: 6 NORM: 12 NucSec:2	Inspection NPP: 46 NTWP: 118 NORM: 196 NucSec:29 Audits NPP:1 NTWP: 6 NORM: 1 NucSec:2	Inspection NPP: 46 NTWP: 118 NORM: 196 NucSec:29 Audits NPP: 1 NTWP: 6 NORM: 12 NucSec:2	Inspection NPP: 46 NTWP: 118 NORM: 196 NucSec:29 Audits NPP: 1 NTWP: 6 NORM: 12 NucSec:2

⁶ CM refers to customer measure

Table 7: Five (5) Year Performance Forecasts (continued)

MEASURE	KPI	2014/15	2015/16	2016/17	2017/18	2018/19
CM2a: Quality compliance assurance activities conducted (continued)		Samples	Samples NPP: 75 NTWP: 77	Samples NPP: 75		Samples NPP: 75 NTWP: 77 NORM: 352
CM3a: Extent to which holders have addressed issues raised by the NNR as per agreed schedule	CM3a: Percentage of corrective actions undertaken and validated	100%	100%	100%	100%	
CM3b: The evaluation of emergency preparedness and response arrangements	CM3b: Nuclear security exercises conducted	1 NECSA	1 NUFCOR	1 KNPS	1 NECSA	
CM4:% Completion of the SAT programme of action	CM4: % Completion of the SAT programme of	90%	100%	N/A	N/A	N/A
CM5: Implementation of the of the key projects milestones	CM5: % Completion of the action plan	80%	85%	100%		
CM6: Implementation of the of the key projects milestones	CM6: % Completion of action plan	80%	100%	100%		
CM7a: Action Plan from EPREV	CM7a: % Completion of the action plan	100%				
CM7b: Action Plan from INIR	CM7b: % Completion of the action plan	100%				

Table 7: Five (5) Year Performance Forecasts (continued)

MEASURE	KPI	2014/15	2015/16	2016/17	2017/18	2018/19
CM7c: Participation in NNEECC structures and international forums	CM7c: Implementation of all initiatives related to nuclear expansion	100%				
CM7d: Securing of resources related to nuclear expansion	CM7d: Implementation of the nuclear expansion resource plan	100%				
CM 8a: Relevant studies covering emerging areas for safety regulations	CM 8a: Research plan of regulatory research framework	100%				
	CM 8b: % of regulatory research plan completed					
CM9: Implementation of the nuclear security culture	CM9: %Implementation of the nuclear security culture	100%				
CM10a: Public Awareness Index	CM10a: % increase in the level of awareness	100%				
CM10b: Face to face stakeholder engagement	CM10b: % Implementation of stakeholder engagement plan	100%				

Table 7: Five (5) Year Performance Forecasts (continued)

MEASURE	KPI	2014/15	2015/16	2016/17	2017/18	2018/19
CM10c: Compliance to obligations	CM10c: % Implementation of international obligations and bilateral cooperation plan	100%				
⁷ FM1: Level funding/ cost strategic programme	FM1: Ratio	1:1	1:1	1:1	1:1	1:1
FM2: Variation from budget	FM2: % Budget variation (either positive or negative)	<5% i.e. less than 5% variation from budget				
⁸ PM1: Unqualified audit (external)	PM1: Rating (Qualified / unqualified)	Implementation as per agreed schedule				
PM2: Level of implementation of risk mitigation measures	PM2: Risk mitigation measures implemented	Risk mitigation measures implemented				
PM3: Effective implementation of the Internal Audit Plan	PM3: % Implementation of the Internal Audit Plan	100% implementation of the Internal Audit Plan				
PM4: Level of Effectiveness of the NNR Governance structures	PM4: % Compliance to Stipulated Standards of these structures	100% level of compliance to governance requirements				

⁷ FM refers to Financial Measure

⁸ PM refers to Product Measure

Table 7: Five (5) Year Performance Forecasts (continued)

MEASURE	KPI	2014/15	2015/16	2016/17	2017/18	2018/19
PM5: Infrastruc- ture down time (TAT)	PM5a: Length of time it takes to restore systems	48 hours				
PM5b: ICT Infra- structure maintenance plan	PM5b: Develop and implement ICT Infrastructure maintenance plan	100%				
PM6: Complete approved infrastructure expansion	PM6: % Imple- mentation of approved plan	% Implementation of approved plan				
PM7a: Improvement on baseline Organisa- tional Excel- lence	PM7a: Excellence rating	500	600	9700 (excellence points)		
PM7b: Level of compliance of revised PMDS	PM7b: % of imple- mentation	100%		N/A	N/A	N/A
PM8: % Level of compliance with legisla- tive require- ments	PM8: % Level of compliance index	100%				
¹⁰ LM1: Average staff performance level	LM1: % Average employee performance level	80%				
LM2: Staff retention	LM2: % Staff retention	10%				

⁹ These are points awarded through the framework depending on the level of excellence that the organisation demonstrates

¹⁰ LM refers to Learning Measure

Table 7: Five (5) Year Performance Forecasts (continued)

MEASURE	KPI	2014/15	2015/16	2016/17	2017/18	2018/19
LM3: Approved grading and career path model	LM3: Level of im- plementation of approved model	100%				
LM4: Approved succession plan	LM4: Level of im- plementation of succes- sion plan	50%	50%			

TABLE 8: FORECASTED ANNUAL PLAN 2014-15

Strategic Objective	Measure	KPI	Annual target	Q 1	Q 2	Q 3	Q 4
1. To process applications for nuclear authorisations in a timely and accurate manner	CM1a: Level of responsiveness on various authorisations	CM1a: Number of days (Turn round time (TAT))	CoR:180 days; COE:180 days; NVL:180 days; NIL 40 months (based on specific assumptions), NISL 24 months.				
	CM1b: ratio of work performed against work planned for reviews & assessments	100% of total agreed schedule	100%				
2. To provide compliance assurance of nuclear safety and security through inspections, audits, investigations and taking of enforcement action for identified non compliance	CM2a: compliance assurance activities conducted	CM2: number of activities conducted	Inspections NPP: 46	19	10	10	10
			NucSec: 29	4	10	10	5
			NTWP: 118	32	28	31	27
			NORM: 196	43	43	43	43
			Audits NPP: 2 NTWP: 4 NORM: 12 NucSec: 2	NPP -0 NTWP-0 NORM-3 NucSec: 0	NPP-1 NTWP-1 NORM-3 NucSec: 1	NPP-1 NTWP-1 NORM-3 NucSec: 1	NPP-0 NTWP-2 NORM-3 NucSec: 0
		Samples NPP: 75 NTWP: 77 NORM: 352	NPP-18 NTWP- 15 NORM-88	NPP-18 NTWP-22 NORM-88	NPP-18 NTWP-18 NORM-88	NPP-21 NTWP-22 NORM-88	
3. To assure that holders have an effective emergency preparedness plan	CM3a: Extent to which holders have address non-compliance	CM3a: % of corrective action undertaken and validated	100%				

TABLE 8: FORECASTED ANNUAL PLAN 2014-15 (CONTINUED)

Strategic Objective	Measure	KPI	Annual target	Q 1	Q 2	Q 3	Q 4
3. To assure that holders have an effective emergency preparedness plan (continued)	CM3b: The evaluation of emergency preparedness and response arrangements	CM3b: conducting regulatory exercises as per schedule	1				
4. To benchmark and update nuclear safety and security standards and regulatory practices in line with national & international standards and requirements	CM4: % completion of the self-assessment programme of action	CM4: % completion of the self-assessment programme of action	90% of overall SAT implementation	100% as per action plans for 2014/15			
5. To establish an independent environmental radio analytical laboratory	CM5: Implementation of the key project milestones	CM5: % completion of action plan	80% of the action plan	65%	70%	75%	80%
6. To strengthen the NNR ability to undertake independent verification through the use of computer codes.	CM6: Implementation of the key project milestones	CM6: % Completion of action plan	80% of the action plan	25%	50%	65%	80%

TABLE 8: FORECASTED ANNUAL PLAN 2014-15 (CONTINUED)

Strategic Objective	Measure	KPI	Annual target	Q 1	Q 2	Q 3	Q 4
117. To ensure that the NNR responds to initiatives related to nuclear expansion	CM7a: Action plan from EPREV	CM7a: % Completion of action plan	100%	N/A	N/A	Develop action plan	N/A
	CM7b: Action plan from INIR	CM7b: % Completion of action plan	As per approved plan	N/A	N/A	Develop action plan	
	CM7c: Participation in NNEECC structures and international forums	CM7c: % Implementation of all initiatives related to nuclear expansion	As per approved plan	Develop action plan	Implement action plan		
	CM7d: Securing of resources related to nuclear expansion	CM7d: Implementation of the nuclear expansion resource plan	As per approved plan		Implement 10% of the plan		
8. To undertake regulatory research that ensures that the regulatory regime is strengthened	CM8a: Research plan of action, relevant studies covering emerging areas for safety regulations	CM8a: Development of the regulatory research framework	Framework	N/A	Framework completed	N/A	N/A
		CM8b: % of regulatory research plan completed	100%	N/A	N/A	Research project initiated	

¹¹ The KPIs and targets regarding nuclear expansion (CM7a-7d) have interdependencies that are outside the control of the NNR. It is imperative however to include these initiatives in the APP as the NNR continues to actively participate and take part in the preparatory work with other stakeholders. Therefore the timing of deliverables stated herein should be understood as estimates and may change with time, depending on further developments in this area.

TABLE 8: FORECASTED ANNUAL PLAN 2014-15 (CONTINUED)

Strategic Objective	Measure	KPI	Annual target	Q 1	Q 2	Q 3	Q 4
9. To assure effective implementation of nuclear security measures	CM9: Implementation of the nuclear security culture	CM9: % Implementation of the nuclear security culture	100% by Q4	10%	20%	50%	100%
10. To strengthen stakeholder relations and improve public awareness	CM10a: Public Awareness index	CM10a: % Increase in the level of awareness	10%	10%			
	CM10b: Face-to-face stakeholder engagement	CM10b: % Implementation of stakeholder engagement plan	100%	100%			
	CM10c: Compliance to obligations	CM10c: % Implementation of international obligations and bilateral cooperation plan	100%	100%			
11. To ensure that the NNR continues to remain a financially viable entity i.e. Adequate revenue to meet NNR strategic objectives	FM1: Level of funding versus cost of strategic programme (alignment of budget to strategic programmes)	FM1: Ratio (Regulatory activities are adequately funded)	1:1	1:1			

TABLE 8: FORECASTED ANNUAL PLAN 2014-15 (CONTINUED)

Strategic Objective	Measure	KPI	Annual target	Q 1	Q 2	Q 3	Q 4
12. To ensure prudent financial management in the NNR i.e. Ensure that strategic objectives are executed in accordance with allocated funds	FM2: Variation from budget	FM2: % Budget variation (either positive or negative)	less than 5% variation from budget	5% i.e. less than 5% variation from budget			
13. To improve and maintain an effective system of internal controls	PM1a: Unqualified audit	Rating (Qualified/unqualified)	Unqualified report				
	PM1b: Effective implementation of action plan for the close out of audit findings	% Implementation of action plan	Implementation as per agreed schedule				
14. To improve and maintain an effective system of risk management	PM2: Level of implementation of risk mitigation measures	PM2: Risk mitigation measures implemented	100%	100%	100%	100%	100%
15. To improve and maintain an effective internal audit system	PM3: Effective implementation of the Internal Audit Plan	PM3: % Implementation of the Internal Audit Plan	100%	100%	100%	100%	100%

TABLE 8: FORECASTED ANNUAL PLAN 2014-15 (CONTINUED)

Strategic Objective	Measure	KPI	Annual target	Q 1	Q 2	Q 3	Q 4
16. To ensure continuous development and maintenance of independent and effective governance structures							
	PM4: Level of Effectiveness of governance structures	PM4: Compliance to Stipulated governance requirements	100%	100%	100%	100%	100%
17. To implement ICT solutions that support business processes	PM5a: Infrastructure downtime (TAT)	PM5a: Length of time it takes to restore systems	48 hours				
	PM5b: ICT infrastructure maintenance plan	PM5b: Develop and implement ICT infrastructure maintenance plan	100% Implement plan	As per approved plan			
				As per approved plan			
18. To implement adequate physical infrastructure that creates a conducive working environment	PM6: Complete approved infrastructure expansion plan	PM6: Implementation of approved plan	% Implementation of approved plan	Implementation of approved plan			

TABLE 8: FORECASTED ANNUAL PLAN 2014-15 (CONTINUED)

Strategic Objective	Measure	KPI	Annual target	Q 1	Q 2	Q 3	Q 4
19. To establish and maintain a high performance culture through effective performance systems and people management	PM7a: Improvement on baseline Organisational Excellence Rating	PM7a: Excellence rating	500 Excellence points	Implementation of prioritised initiatives			
	PM7b: Level of implementation of revised PMDS	PM7b: % Implementation	100%	N/A	100%	N/A	
20. To ensure compliance with applicable legislation and policy frameworks	PM8: % Level of compliance with legislative requirements	PM8: Legislative compliance index	100% Compliance with legislation	Roll out	100%		
21. To ensure effective talent management	LM1: Average staff performance level	LM1: % Average employee performance	80% Average employee performance level				
	LM2: Staff retention	% Staff retention	90%	90%			
	LM3: Approved grading and career path model	Level of implementation of approved model	Approved model implemented fully	Development and approval	Implementation		
	LM4: Approved succession plan	Level of implementation of succession plan		Develop and approve	Implement		



PART E
FINANCIAL PROJECTIONS

PART E FINANCIAL PROJECTIONS

STATEMENT OF FINANCIAL PERFORMANCE

	Audited outcome		Revised estimate	Average growth rate (%)	Expenditure/ total: Average (%)	Medium-term estimate			Average growth rate (%)	Expenditure/ total: Average (%)
	2010/11	2011/12				2012/13	2013/14	2010/11 - 2013/14		
R thousand										
Revenue										
Tax revenue	-	-	-	-	-	-	-	-	-	-
Non-tax revenue	94 647	92 170	103 977	122 419	9.0%	75.9%	137 149	149 255	165 878	10.7%
Sale of goods and services other than capital assets	89 854	88 479	99 068	120 844	10.4%	73.0%	136 581	148 873	162 271	10.3%
of which:										
Administrative fees	89 503	88 479	99 068	120 844	10.5%	72.9%	136 581	148 873	162 271	10.3%
Sales by market establishment	351	-	-	-	-100.0%	0.1%	-	-	-	-
Other sales	-	-	-	-	-	-	-	-	-	-
Other non-tax revenue	4 793	3 691	4 909	1 575	-31.0%	2.9%	568	382	3 607	31.8%
Transfers received	19 954	35 430	30 912	48 360	34.3%	24.1%	33 697	34 887	36 736	-8.8%
Total revenue	114 601	127 600	134 889	170 779	14.2%	100.0%	170 846	184 142	202 614	5.9%
Expenses										
Current expenses	112 264	126 010	120 234	170 779	15.0%	100.0%	170 846	184 142	202 614	5.9%
Compensation of employees	74 083	82 310	75 106	96 951	9.4%	62.6%	106 952	114 885	124 128	8.6%
Goods and services	35 207	38 654	31 321	54 940	16.0%	30.1%	49 689	54 128	62 450	4.4%
Depreciation	2 678	5 046	9 154	12 537	67.3%	5.3%	8 373	8 413	9 563	-8.6%
Interest, dividends and rent on land	296	-	4 653	6 351	177.9%	2.0%	5 832	6 716	6 473	0.6%
Transfers and subsidies	-	-	-	-	-	-	-	-	-	-
Total expenses	112 264	126 010	120 234	170 779	15.0%	100.0%	170 846	184 142	202 614	5.9%
Surplus/(Deficit)	2 337	1 590	14 655	-	-100.0%	-	-	-	-	-

EXPENDITURE TRENDS

The National Nuclear Regulator's strategic focus over the medium term will be on the commissioning of the emergency control centre, environmental samples testing facilities, the Koeberg Nuclear Power Station Steam Generator Replacement Project. The regulator will also undertake research to ensure that the regulatory regime is strengthened, and establish capacity to independently analyse environmental samples and ensure compliance by authorisation holders. The organisation is further preparing itself for the eminent New Nuclear Build rollout. The Regulator will measure itself against the safety guarantees in the use of nuclear sites, and improve regulatory controls that are required for emergency plans. This will allow the entity to maintain standards by issuing registration certificates within 90 days and issuing Nuclear Vehicle Licences within 180 days, both of which are personnel intensive activities. As a result, growth in spending on compensation of employees is projected over the medium term.

Revenue is generated mainly from authorisation fees and the state grant. Authorisation fees are projected to grow from R120.8 million for the current financial year to R162 million in 2016/17 at an average rate of 10.3% pa. The increase is attributable to special projects on stream such as Eskom's Koeberg Nuclear Power Station Steam Generator Replacement Project which is expected to run throughout the MTEF period. During the same period the government grant is targeted to drop from R48 million to R36.7 million at an average rate 8.3% per annum. This is mainly as a result of special CAPEX project funding during 2012/13 and 2013/14 financial years to a total of R29 million that comes to an end during the current financial.

The implementation of the special capital projects i.e., Regulatory Emergency Control Centre upgrade and provision of adequate accommodation office are underway and commissioning is targeted for 2014/15 financial year. Compensation of Employees will grow from about R97 million in 2013/14 financial year to 2016/17 financial year at a rate of 8.6%. This is attributable to implementation of the comprehensive organisational resource plan that caters for, amongst others, Current Capacity Enhancements, Koeberg Nuclear Power Station steam generator replacement project and New Nuclear Build expansion programme. The commissioning of Radio analytical laboratory in 2014/15 resulted in increase in capacity from 2012/13 financial year. The Regulator will further embark on a multi-faceted skills development programme which encompasses internships and rigorous training and development of current staff to gear up its capacity towards the imminent growth of the industry.

Goods and services will increase from R55 million in 2013/14 financial year to R62 million in 2016/17 financial at an average rate of 4.4% below CPIX rate. This is mainly because the organisation is prioritising capacity development while curtailing operational costs where possible. Cost of consultants will increase by 17% over the MTEF period to R11.8 million mainly due to the Steam Generator Replacement Project while use of contractors will increase by 17% to R4.9 million for the same reason. Repairs and maintenance cost will grow with the same percentage over the same period which is equivalent to about 4.4% pa. Training and Development costs will increase to R4.5 million at 89% over the MTEF period in line with the growth of personnel structure and capacity enhancements drive. Travel and Subsistence allowance is targeted to decrease by 9% over the MTEF period, this is in line with cost containment measures the organisation continues to implement.

The Regulator has an establishment of 113 posts, all of which were funded and there are 16 posts vacant, 5 of which are newly created. The number of posts increased from 108 in 2012/13 to 113 in 2013/14 due to additional capacity needed for Koeberg Nuclear Power Station Steam Generator Replacement Project in particular. Over the medium term, filled posts are expected to increase to 151 due to the additional capacity that is needed to adequately capacitate the regulator in preparation for the Steam Generator Replacement Project and early engagement in the New Nuclear Build programme.

NOTES

NOTES

t.+27 (0)12 674 7100
f.+27 (0)12 663 5513
enquiry@nnr.co.za

Eco Glades 2, Eco Glades Office Park,
420 Witch Hazel Avenue, Highveld Ext 75,
Eco Park, Centurion, 0157

PO Box 7106, Centurion, 0046

www.nnr.co.za

