

**NRWDI**

NATIONAL RADIOACTIVE WASTE  
DISPOSAL INSTITUTE



ANNUAL  
REPORT  
2020/21





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# PART A

## GENERAL INFORMATION



# 1. GENERAL INFORMATION

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**Registered Name:** National Radioactive Waste Disposal Institute

**Physical Address:** Building VX  
Elias Motsoaledi Street Extension  
(Church Street West)  
R104 Pelindaba  
Brits Magisterial District  
Madibeng Municipality  
North West Province 0240

**Postal Address:** Private Bag XI  
Pretoria 0001  
Gauteng Province

**Telephone Number:** 012 305 3222

**Fax Number:** 012 305 3200

**Email Address:** [info@nrwdi.org.za](mailto:info@nrwdi.org.za)

**Website:** [www.nrwdi.org.za](http://www.nrwdi.org.za)

**External Auditors:** Auditor-General of SA

**Bankers:** ABSA Bank

## 2. LIST OF ABBREVIATIONS AND ACRONYMS

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<b>Abbreviation</b>	<b>Description</b>
AGSA	Auditor General of South Africa
ARC	Audit and Risk Committee
BoD	Board of Directors
BBBEE	Broad-Based Black Economic Empowerment
CEO	Chief Executive Officer
CFO	Chief Financial Officer
CISF	Central Interim Storage Facility
DEFF	Department of Environment, Forestry and Fisheries
DHSWS	Department of Human Settlements, Water and Sanitation
DoH	Department of Health
DMRE	Department of Mineral Resources and Energy
DSRS	Disused Sealed Radioactive Sources
EAP	Employment Assistance Programme
EE	Employment Equity
GRAP	South African Standards Of Generally Recognised Accounting Practice
HLW	High Level Waste
HR-SEC	Human Resources, Social And Ethics Committee
IAEA	International Atomic Energy Agency
ILW	Intermediate Level Waste
IMS	Integrated Management System
ISO	International Standards Organisation
LLW	Low Level Waste
MTEF	Medium-Term Expenditure Framework
MTSF	Medium-Term Strategic Framework
NDP	National Development Plan
NIL	Nuclear Installation Licence
NNR	National Nuclear Regulator
NRWDIA	National Radioactive Waste Disposal Institute Act
NRWDI	National Radioactive Waste Disposal Institute
Necsa	South African Nuclear Energy Corporation
NT	National Treasury
PID	Public Information Document
PFMA	Public Finance Management Act
QMS	Quality Management System
RWMF	Radioactive Waste Management Fund
SHEQ	Safety, Health, Environment And Quality
SCM	Supply Chain Management
TR	Treasury Regulation
TOC	Technical And Operations Committee
VPSIF	Vaalputs Public Safety Information Forum
WAC	Waste Acceptance Criteria

### 3. FOREWORD BY THE CHAIRPERSON



*“The positioning of NRWDI as a high performing and respected waste disposal organisation will be achieved through continued efforts to forge networks and partnerships with the government, private sector, local and international research agencies and other stakeholders. These networks and partnerships are grounded in the belief that strategic partnerships are an essential element of delivery on the mandate of NRWDI.”*

**MSTHANDEKA ZUNGU – CHAIRPERSON**

On behalf of the National Radioactive Waste Disposal Institute (NRWDI) Board of Directors, I am pleased to present NRWDI's 2020/21 annual report and audited financial statements to the Minister of Mineral Resources and Energy, the shareholder department and all stakeholders.

The current Board of Directors was appointed in August 2020, at the peak of South Africa's first wave of the COVID-19 pandemic. It was, however, reassuring to observe that NRWDI's leadership intervened swiftly by setting in place the required COVID-19 protocols and safety measures to protect the health and safety of its employees. We, as the NRWDI family, extend our condolences to those who have lost loved ones in this pandemic and our thoughts are with everyone who has suffered personal or financial hardship during this difficult time.

Like organisations worldwide, NRWDI had to adapt its work environment and practices to respond to the unprecedented threats and challenges brought by COVID-19 to ensure that employees, their families and people in the communities in which we operate are protected, while making sure that the organisation continues to operate effectively.

One of NRWDI's key deliverables for the year under review was the finalisation of the application process for the Nuclear Installation Licence, to manage and operate the Vaalputs National Radioactive Waste Disposal Facility. I am pleased to report that the safety case documents that NRWDI had to submit for the licence application were completed and reviewed by the National Nuclear Regulator (NNR) in December 2020.

The public participation process on NRWDI's nuclear installation licence application and the associated public information document (PID) was concluded by end March 2021 in accordance with the NNR's directive. NRWDI subsequently addressed all the public comments, updated the PID and submitted the revised PID to the

NNR. In this regard it is noteworthy that none of the respondents in the public participation process opposed NRWDI's nuclear installation licence application. NRWDI is awaiting further direction from the NNR in order to conclude the licensing process as soon as possible.

NRWDI's mandate includes the design and implementation of disposal solutions for all classes of radioactive waste, including the safe storage and disposal of spent nuclear fuel.

The management of spent nuclear fuel has become a highly contentious societal focal point. To address the concerns of the public, Ministerial approval was granted to NRWDI to commence with the designing, developing and establishing of a Centralised Interim Storage Facility (CISF) for the long-term, off-site and above-ground storage of South Africa's spent nuclear fuel. The pre-feasibility study for the CISF has been completed and NRWDI is ready to commence with the feasibility study and establishment of a gateway review team for the project. With the envisaged deadline of 2030 for the operationalisation of the CISF and based on the timeline of approximately nine (9) years for NRWDI to obtain a positive environmental authorisation and an approved nuclear installation licence which are critical for the CISF project, immediate availability of funding is crucial.

NRWDI will use this critical national infrastructure project as a catalyst and an enabler to forge durable partnerships and social compacts between government, business, labour, communities and civil society that will result in job creation, skills development, inclusive growth and economic transformation in order to give impetus to the creation of a capable, ethical and developmental state.

The management and disposal of radioactive waste on a national basis is a multi-disciplinary function, requiring highly technical expertise and decisions to be made by employees in different parts of the organisation. NRWDI's success in achieving its strategic

objectives depends on its ability to attract, retain and develop the necessary skills to execute on its mandate and objectives. NRWDI has continued its efforts to retain institutional knowledge through the implementation of a talent and succession management programme.

The positioning of NRWDI as a high performing and respected waste disposal organisation will be achieved through continued efforts to forge networks and partnerships with the government, private sector, local and international research agencies and other stakeholders. These networks and partnerships are grounded in the belief that strategic partnerships are an essential element of delivery on the mandate of NRWDI.

In this regard, NRWDI entered into a memorandum of understanding (MoU) between NRWDI and the Council for GeoScience (CGS), our sister organisation, for cooperation in the field of geoscientific professional services such as geohazard assessments, and siting and site characterisation of potential sites that will host future waste-disposal facilities, namely the CISF and a deep geological repository.

NRWDI obtained Ministerial approval to enter into an MoU (also known as Practical Arrangements) with the International Atomic Energy Agency (IAEA) on cooperation in the area of the safe and secure borehole disposal of disused sealed radioactive sources (DSRS). The borehole disposal concept (BDC) is a proven waste-disposal technology that was developed by South Africa and is used internationally to safely dispose of DSRS inventories. The Practical Arrangements is expected to be ratified by NRWDI and the IAEA during the upcoming 2021 General Conference.

As part of the Eskom (Koeberg) plant life extension programme, critical safety components, such as the original steam generators and reactor vessel pressure heads, need to be decommissioned and disposed of as radioactive waste. Regular meetings/workshops have been conducted with Koeberg to advise on the waste acceptance criteria and disposal requirements to dispose of large components as well as operational waste at Vaalputs.

As part of our ongoing community engagements, matters regarding nuclear safety, radiation safety and nuclear incidents/accidents were communicated to local communities, adjacent farmers, local authorities, government bodies and any other interested and/or affected parties on a quarterly basis via the Vaalputs Public Safety Information Forum that was established in terms of the National Nuclear Regulator Act (No. 47 of 1999). These meetings also serve as information and capacity building interactions in order to debunk the myths surrounding nuclear and to enhance stakeholders' knowledge of nuclear matters.

Due to the COVID-19 pandemic, in-person meetings could not be conducted. Instead, we made use of various virtual and social media platforms, eg. e-mail and WhatsApp, to stay in touch with all our valued stakeholders. An added advantage of this approach was that we expanded our stakeholder base from a local footprint to a continental and global footprint.

NRWDI is committed to deliver safe, sustainable and publicly acceptable solutions for the long-term management and disposal of all radioactive waste classes, while never compromising on safety and security, and taking full account of our social and environmental responsibilities. This includes actively engaging with stakeholders in an open, transparent and respectful manner.

I am grateful to the NRWDI Board of Directors, its team and its stakeholders who have worked under demanding circumstances to ensure minimal disruption during this financial year. I also take this opportunity to express my gratitude to our shareholder and the Department of Mineral Resources and Energy, for providing us with support as NRWDI tackled the challenges of COVID-19 and the mid-year change of guard during the year under review.



**Ms Thandeka Zungu**  
Chairperson: NRWDI  
31 August 2021

## 4. CHIEF EXECUTIVE'S OVERVIEW



*"I am pleased to report that we have obtained clean audit reports for four consecutive years, which bear testimony to the fact that an institutionalised culture of accountability, trust, honesty and responsibility prevails in NRWDI. NRWDI is resiliently committed to good governance, prudent financial management, operational excellence and leadership based on the highest ethical and moral standards."*

MR ALAN CAROLISSEN – CHIEF EXECUTIVE OFFICER

It gives me great pleasure to present NRWDI's financial and non-financial performance for the 2020/21 financial year.

### OVERVIEW OF THE ORGANISATIONAL PERFORMANCE OF THE PUBLIC ENTITY

Reflecting on the events and activities of the 2020/21 year, the COVID-19 pandemic has created unprecedented circumstances for organisations the world over. NRWDI is no exception. Our stakeholders, employees and their families have all been affected. Our focus has been to provide unwavering support for our employees' wellbeing during such difficult times while ensuring business continuity.

There was significant uncertainty and unpredictability during 2020/21. In many ways, the year under review provided a test of our operational competence and resilience – a test that we passed. NRWDI has responded to the global COVID-19 crisis with professionalism and empathy. Our staff have shown themselves to be a flexible, adaptable and extraordinary dedicated group of people in these strange and uncertain times.

I am pleased to report that we have obtained clean audit reports for four consecutive years, which bear testimony to the fact that an institutionalised culture of accountability, trust, honesty and responsibility prevails in NRWDI. NRWDI is resiliently committed to good governance, prudent financial management, operational excellence and leadership based on the highest ethical and moral standards.

During the review period, NRWDI achieved 90% of its annual performance targets, a performance similar to what was achieved in 2019/20 despite the turbulent operating environment.

NRWDI remains fully committed to fulfilling the expectation of South Africans that radioactive waste should be safely managed in a manner that meets or exceeds all applicable regulatory standards and requirements for protecting the health, safety and security of humans and the environment, now and in the future.

### OVERVIEW OF THE ORGANISATIONAL FINANCIAL PERFORMANCE OF THE PUBLIC ENTITY

NRWDI receives funding from the fiscus through grant transfers from the DMRE. An increase of 4.0% on the previous year brought the total government grant to R49.397 million. Over the medium-term expenditure framework (MTEF) period, R42.17 million was allocated to employee compensation and R8.9 million to the procurement of goods and services.

The interest income received from the current and call accounts amounted to R1.183 million. An income of R989 was earned from services rendered. No adjustments were made to the budget during the mid-term budget cycle. NRWDI maintained its going-concern status through sound financial management, and accounting systems and practices over the last fiscal year.

The organisation continues to be in a financially healthy position with cash and cash equivalents of R28.79 million, which is equivalent to a 1.80 cash turnover ratio and a liquidity ratio of 3.2:1 as at 31 March 2021. The net asset value is reported as R23.47 million, as at 31 March 2021. The previous financial year's accumulated surplus of R16.0 million, calculated according to Treasury Instruction Note No. 12 of 2020/21, was approved for rollover by National Treasury in February 2021. It will be used to cover the entity's IT infrastructure and nuclear installation licence costs.

## 4. CHIEF EXECUTIVE'S OVERVIEW

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### SPENDING TRENDS OF THE PUBLIC ENTITY

The total expenditure of NRWDI increased by 3.47% compared to the previous financial year. A number of factors have contributed to the increased expenditure. Spending on goods and services decreased by 20.4%, total staff costs increased 9.28% and depreciation costs increased by 42.78%.

The decrease in goods and services spending was mainly due to a decrease of 28.04% related to the nuclear installation licence costs, as well as decreased operational costs as a result of the various levels of COVID-19 lockdown throughout the year. The increase in depreciation costs is as a result of the additional IT assets acquired in line with the entity's IT architecture and plan. Cost-of-living adjustments and performance incentives contributed to the increase in employee costs.

### REQUESTS FOR ROLLOVER OF FUNDS

Subject to permission granted by the National Treasury, an amount of R10.4 million of the R28.8 million cash and cash equivalent balance will be rolled over and used in the 2021/22 financial year to fund the reported short-term liabilities and commitments as recorded at 31 March 2021. An additional R8.2 million will be requested to fund critical NRWDI projects related to IT infrastructure, research and development, and the last phase of the nuclear installation licence application.

### SUPPLY CHAIN MANAGEMENT (SCM)

No unsolicited bid proposals were concluded by NRWDI. We continued to implement all SCM prescripts and policies as required. NRWDI also complied with all National Treasury guidelines and instructions.

A holistic, triple-bottom-line approach guides the managing of the inter-dependent activities of demand, acquisition, inventory and contract administration. NRWDI has effective measures in place to detect and prevent irregular and fruitless and wasteful expenditure, and I am proud to report that NRWDI did not incur any such expenditure for the past four financial years.

### OUTLOOK/PLANS FOR THE FUTURE TO ADDRESS FINANCIAL CHALLENGES

During the year under review, the adjusted MTEF-allocated grant income compelled NRWDI to freeze two critical management positions, given that NRWDI is currently unable to generate additional income from rendering services. Initiatives to bridge the funding gap through the generating of alternative revenue will be exploited upon the entity obtaining its nuclear installation licence. During the 2020/21 financial year, NRWDI received approval for

an additional funding allocation of R149.96 million over the three-year MTEF period of 2021/22 to 2023/24.

### ECONOMIC VIABILITY

NRWDI is financially stable with stringent and prudent spending measures being implemented. However, post the obtaining of the nuclear installation licence, NRWDI will increase its efforts to recover costs from the radioactive-waste generators. Our proactive strategies that drive the organisational financial performance give me certainty that the organisation will remain a going concern for the foreseeable future.

### ACKNOWLEDGEMENTS AND APPRECIATION

First and foremost, I wish to convey my sincerest gratitude to the chairperson and members of the NRWDI Board of Directors for the judicious leadership, patience, support and guidance they provide in the execution of their fiduciary responsibilities.

Words of thanks are also extended to the Portfolio Committee on Mineral Resources and Energy, the Ministry of Mineral Resources and Energy, and officials at the DMRE for their visionary guidance and steadfast support. Gratitude is also extended to NRWDI's strategic partners and sister public entities for the opportunity to join forces in order to improve service delivery.

The NRWDI cannot exist in isolation but depends on its stakeholders. I wish to pay tribute to all NRWDI's esteemed and valued stakeholders for their continued support. We couldn't make progress without our stakeholders, who continue to challenge, scrutinise and support our vitally important work. We will always engage our stakeholders in a manner that is inclusive, responsive and encourages trust, constructive dialogue and meaningful partnerships.

Last but not least, the success of the NRWDI depends on its most valuable asset, our staff. Their willingness to remain flexible, yet steadfast, in their commitment to the vision and mandate of the organisation, is a strength and an enabler of change. My sincerest thanks and genuine appreciation go out to each one of you. You have been instrumental in assisting the NRWDI to meet its objectives, fulfil its mandate and contribute to government's social and economic imperatives.

  
Mr Alan Carolissen

Acting Chief Executive Officer  
31 August 2021

## 5. STATEMENT OF RESPONSIBILITY AND CONFIRMATION OF ACCURACY FOR THE ANNUAL REPORT

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To the best of my knowledge and belief, I confirm the following:

All information and amounts disclosed in the annual report is consistent with the annual financial statements audited by AGSA. The annual report is complete, accurate and free from any omissions.

The annual report has been prepared in accordance with the guidelines issued by National Treasury.

The annual financial statements (Part E) have been prepared in accordance with the GRAP standards applicable to the public entity.

The accounting authority is responsible for the preparation of the annual financial statements and for the judgements made in this information.

The accounting authority is responsible for establishing and implementing a system of internal control that has been designed to provide reasonable assurance as to the integrity and reliability of the performance information, the human resources information and the annual financial statements.

The external auditors are engaged to express an independent opinion on the annual financial statements.

In our opinion, the annual report fairly reflects the operations, performance information, human resources information and financial affairs of the public entity for the financial year ended 31 March 2021.

Yours faithfully



**Mr Alan Carolissen**  
Acting Chief Executive Officer  
31 August 2021



**Ms Thandeka Zungu**  
Chairperson  
31 August 2021

## 6. STRATEGIC OVERVIEW

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### 6.1. VISION

To be a world class radioactive waste disposal organisation.

### 6.2. MISSION

To provide environmentally safe and technologically innovative radioactive waste disposal solutions for the benefit of current and future generations.

### 6.3. VALUES

NRWDI's values are grounded in strong ethical considerations. As a result, NRWDI staff members are required to maintain the highest standards of proper conduct and integrity at all times and to ensure that there is no doubt as to what is required. To this end, NRWDI has developed a set of core values. NRWDI's value statements are reflected in the table below.

<b>Nurturing</b>	We will make the wellbeing of people and the environment a priority.
<b>Respect</b>	We will respect all and obey the laws and legislation that govern our country and regulate our industry.
<b>Work-life balance</b>	We are committed to the creation of a culture that supports the achievement of both life and work.
<b>Dedication</b>	We will demonstrate passion, commitment and care in all that we do, being fully aware of the impact that our actions may have on current and future generations.
<b>Integrity</b>	We will conduct ourselves with openness, honesty and respect for all stakeholders.

# 7. LEGISLATIVE AND OTHER MANDATES

## CONSTITUTION OF THE REPUBLIC OF SOUTH AFRICA, 1996 (ACT NO. 108 OF 1996)

The National Radioactive Waste Disposal Institute (NRWDI) carries out its work with due regard for the fundamental rights as contained in the Constitution of the Republic of South Africa and related legislation. The following sections are extracts from the Constitution that have a direct bearing on the NRWDI in terms of delivering on its constitutional mandate.

The NRWDI mandate is underpinned by Section 24(b) of the Constitution of the Republic of South Africa, Act 108 of 1996, which states that:

Everyone has the right –

- (a) To an environment that is not harmful to their health or wellbeing; and
- (b) To have the environment protected for the benefit of present and future generations through reasonable legislative and other measures that:
  - (i) Prevent pollution and ecological degradation;
  - (ii) Promote conservation; and
  - (iii) Secure ecologically sustainable development and use of natural resources while promoting justifiable economic and social development.

The above constitutional provisions inform further pieces of legislation that impact the functioning of NRWDI. The governance and regulation of radioactive waste management is also subject to the provisions of the acts discussed below.

## NATIONAL RADIOACTIVE WASTE DISPOSAL INSTITUTE ACT (NRWDIA), 2008 (ACT 53 OF 2008)

The NRWDIA was proclaimed by the President of the Republic of South Africa in Government Gazette no. 32764. The NRWDIA endorsed the establishment of the National Radioactive Waste Disposal Institute (NRWDI), which was established on 1 December 2009. The functions of NRWDI as per Section 5 of the NRWDIA are to:

- Manage radioactive waste disposal on a national basis;
- Operate the national low-level waste repository at Vaalputs;
- Design and implement disposal solutions for all categories of radioactive waste;
- Develop criteria for accepting and disposing radioactive waste in compliance with applicable regulatory safety requirements and any other technical and operational requirements;
- Assess and inspect the acceptability of radioactive waste for disposal, and issue radioactive waste disposal certificates;
- Manage, operate and monitor operational radioactive waste-disposal facilities, including related predisposal management of radioactive waste on disposal sites;
- Investigate the need for any new radioactive waste-disposal facilities and to site, design and construct new facilities as required;

- Define and conduct research and development aimed at finding solutions for long-term radioactive waste management;
- Maintain a national radioactive waste database and publish a report on the inventory and location of all radioactive waste in the Republic at a frequency determined by the Board;
- Manage ownerless radioactive waste on behalf of the government, including the development of radioactive waste management plans for such waste;
- Assist generators of small quantities of radioactive waste in all technical aspects related to the management of such waste;
- Implement institutional control over closed repositories, including radiological monitoring and maintenance as appropriate;
- Implement any assignments or directives from the Minister regarding radioactive waste management;
- Provide information on all aspects of radioactive waste management to the public living around radioactive waste disposal facilities and to the public in general;
- Advise nationally on radioactive waste management;
- Co-operate with any person or institution in matters falling within these functions; and
- Perform any other function necessary to achieve the objectives of the NRWDI.

The majority of the above functions are currently performed within the scope of low-level waste (LLW) inventories. In future, the scope would need to be extended to address the national inventory of radioactive waste consisting of intermediate-level waste (ILW), high-level waste (HLW), spent/used nuclear fuel and disused sealed radioactive sources. This implies that alternative disposal concepts would have to be researched, designed and implemented.

## NUCLEAR ENERGY ACT, 1999 (ACT 46 OF 1999)

NRWDI is an independent entity established by statute under the provision of Section 55(2) of the Nuclear Energy Act to fulfil the institutional obligation of the Minister of Mineral Resources and Energy. In accordance with the provisions of the Nuclear Energy Act, the disposal of radioactive waste and storage of irradiated nuclear fuel require the written permission of the Minister of Mineral Resources and Energy and are subject to such conditions that the Minister, in concurrence with the Minister of Human Settlements, Water and Sanitation, deems fit to impose. The conditions so imposed will be additional to any conditions contained in a nuclear authorisation as defined in the National Nuclear Regulatory Act (NNRA).

## NATIONAL NUCLEAR REGULATORY ACT, 1999 (ACT 47 OF 1999)

The Act provides for the establishment of a National Nuclear Regulator in order to regulate nuclear activities, for its objects and functions, for the manner in which it is to be managed and for its staff matters; to provide for safety standards and regulatory practices for protection of persons, property and the environment

against nuclear damage; and to provide for matters connected therewith.

### **NATIONAL ENVIRONMENTAL MANAGEMENT ACT (NEMA), 1998 (ACT 107 OF 1998)**

In accordance with the requirements of the National Environmental Management Act, an environmental impact assessment has to be conducted prior to the construction of a radioactive waste management facility.

### **HAZARDOUS SUBSTANCES ACT, 1973 (ACT 15 OF 1973)**

Sealed radioactive sources, including disused sealed sources, are controlled as Group IV Hazardous Substances, in terms of the Hazardous Substances Act and are regulated by the Directorate Radiation Control in the Department of Health.

Currently all disused sealed radioactive sources are temporarily stored at Necsa because final disposal has not yet been defined in radioactive waste management plans. The disposal of all radioactive material is regulated by the National Nuclear Regulator.

The safety, security and control of disused radioactive sources is a high priority in the context of international commitments to prevent radiation accidents that may be caused by the potential abuse and misuse of such sources for malicious purposes. NRWDI will liaise with all role players and stakeholders to mitigate these risks by implementing sustainable disposal options (end points) for various categories of disused sealed radioactive sources.

### **MINERAL AND PETROLEUM RESOURCES DEVELOPMENT AMENDMENT ACT, 2008 (ACT 49 OF 2008)**

The objectives of this Act are to recognise the internationally accepted right of the state to exercise sovereignty over all the mineral and petroleum resources within the Republic, give effect to the principle of the state's custodianship of the nation's mineral and petroleum resources, and to Section 24 of the Constitution by ensuring that the nation's mineral and petroleum resources are developed in an orderly and ecologically sustainable manner, while promoting justifiable social and economic development; and promote equitable access to the nation's mineral and petroleum resources to all the people of South Africa.

### **NATIONAL WATER ACT, 1998 (ACT 36 OF 1998)**

The purpose of this Act is to ensure that the nation's water resources are protected, used, developed, conserved, managed and controlled in ways that take into account, among other factors: promoting equitable access to water; redressing the results of past racial and gender discrimination; promoting the efficient, sustainable and beneficial use of water in the public interest;

facilitating social and economic development; protecting aquatic and associated ecosystems and their biological diversity; meeting international obligations.

### **PUBLIC FINANCE MANAGEMENT ACT, 1999 (ACT 01 OF 1999 AS AMENDED BY ACT 29 OF 1999)**

The objective of the Act is to regulate financial management in national and provincial government to ensure that all revenue, expenditure, assets and liabilities are managed efficiently and effectively. The NRWDI is a Schedule 3A public entity that reports to the Executive Authority, ie, the Minister of Mineral Resources and Energy. The NRWDI's activities are funded by a budget allocated to it by the DMRE. The governance of the NRWDI is entrusted to a Board of Directors appointed by the Minister of Mineral Resources and Energy in accordance with Section 7(1) of the NRWDI Act.

### **PROMOTION OF ADMINISTRATIVE JUSTICE ACT, 2000 (ACT 03 OF 2000)**

The Act gives effect to the constitutional right to just administrative action for any member of the public whose rights have been adversely affected, and to ensure efficient, effective and legitimate administration within all spheres of government.

### **PREFERENTIAL PROCUREMENT POLICY FRAMEWORK ACT, 2000 (ACT 05 OF 2000)**

The Act gives effect to Section 217(3) and provides a framework for the implementation of the procurement policy contemplated in Section 217(2) of the Constitution.

### **PROMOTION OF ACCESS TO INFORMATION ACT, 2000 (ACT 02 OF 2000)**

The Act gives effect to the constitutional right of access to any information held by the state and any information held by a private person that is required for the exercise or protection of any other right.

### **INTERGOVERNMENTAL RELATIONS FRAMEWORK ACT, 2005 (ACT 13 OF 2005)**

The Act establishes a framework for national, provincial and local government to promote and facilitate intergovernmental relations and to provide a mechanism and procedure to facilitate the settlement of intergovernmental disputes.

### **SKILLS DEVELOPMENT ACT, 1998 (ACT 97 OF 1998)**

The Act provides an institutional framework to devise and implement national, sector and workplace strategies to develop and improve the skills of the South African workforce.

### **EMPLOYMENT EQUITY ACT, 1998 (ACT 55 OF 1998)**

The Act serves as a mechanism to redress the effects of unfair discrimination and to assist in the transformation of workplaces, so as to reflect a diverse and broadly representative workforce.

### **DISASTER MANAGEMENT ACT, 2002 (ACT 57 OF 2002)**

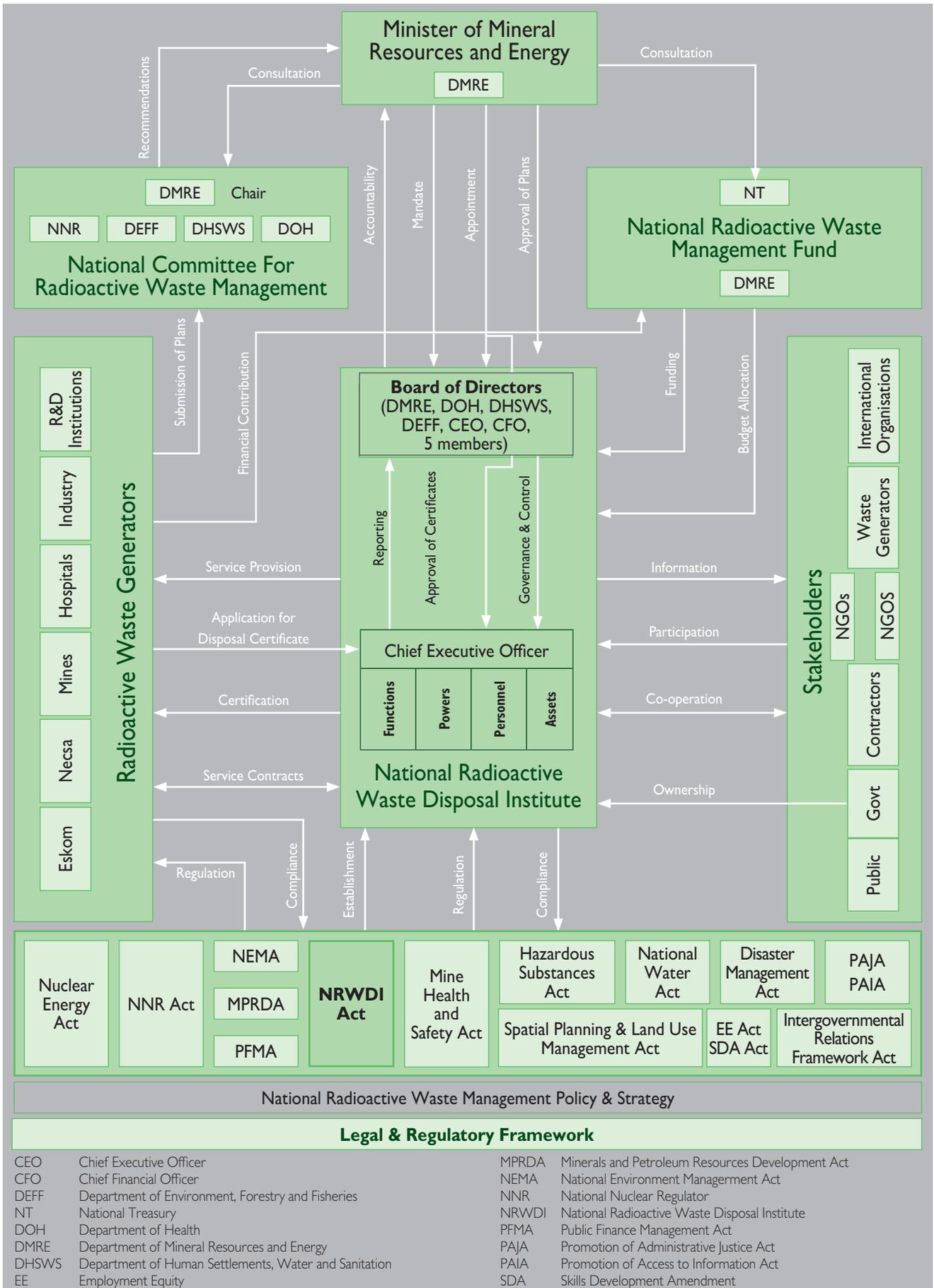
The Act provides for an integrated and co-ordinated disaster management policy that focuses on preventing or reducing the

risk of disasters, mitigating the severity of disasters, emergency preparedness, and rapid and effective responses to disaster and post-disaster recovery.

### **SPATIAL PLANNING AND LAND USE MANAGEMENT ACT, 2013 (ACT 16 OF 2013)**

The Act makes provision for inclusive developmental, equitable and efficient spatial planning at different spheres of government.

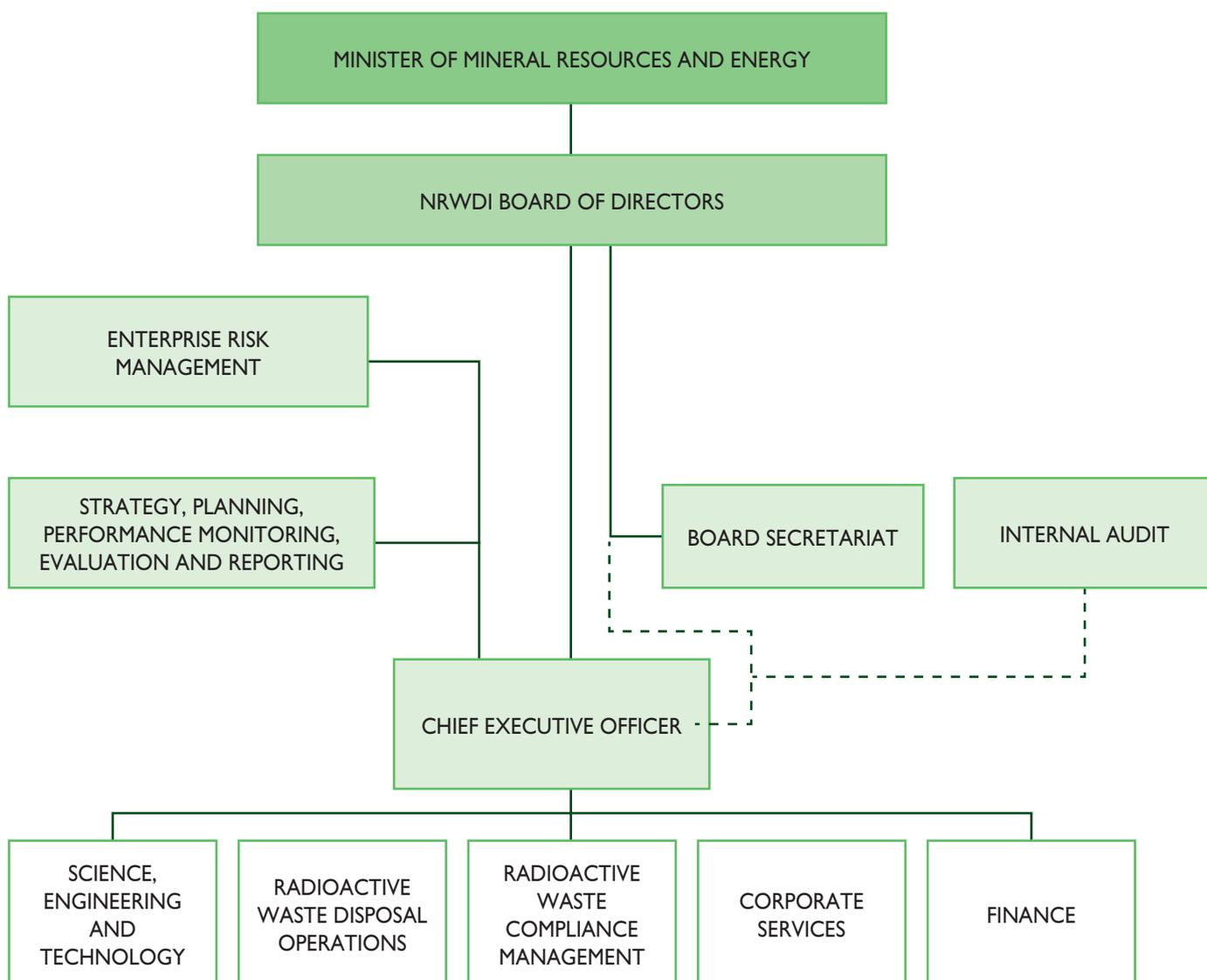
Figure 1: The legislative and regulatory environment within which NRWDI operates



# 8. ORGANISATIONAL STRUCTURE

The NRWDI's macro-organisational structure reflects the functions that enable NRWDI's operations, as well as the support capacity it needs for effective delivery on its mandate. The structure is aligned to NRWDI's four strategic programmes, namely: (1) Administration, (2) Radioactive Waste Disposal Operations, (3) Science, Engineering and Technology, and (4) Radioactive Waste Compliance Management.

## NATIONAL RADIOACTIVE WASTE DISPOSAL INSTITUTE ORGANISATIONAL STRUCTURE



# BOARD OF DIRECTORS

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**MS THANDEKA ZUNGU**  
CHAIRPERSON



**MR MOGWERA KHOATHANE**  
DEPUTY CHAIRPERSON



**MS LEANDA - MARSHA  
MTSHALI**  
BOARD MEMBER



**DR KGAUGELO CHILOANE**  
BOARD MEMBER



**DR CORNELIUS RUITERS**  
BOARD MEMBER



**MS LERATO MAKGAE**  
BOARD MEMBER



**MR ALAN CAROLISSEN**  
ACTING CHIEF EXECUTIVE  
OFFICER



**MR JUSTIN DANIEL**  
CHIEF FINANCIAL OFFICER

## EXECUTIVE MANAGEMENT COMMITTEE

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**MR ALAN CAROLISSEN**  
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# PART B

## PERFORMANCE INFORMATION



## 1. AUDITOR'S REPORT: PREDETERMINED OBJECTIVES

The AGSA audits the NRWDI's performance information against predetermined objectives to provide reasonable assurance in the form of an audit conclusion that is reported to management. Material findings are reported under the "predetermined objectives" heading in the legal and regulatory requirements section of the auditor's report.

Refer to page 41 of the auditor's report, published as Part E: Financial Information.

## 2. SITUATIONAL ANALYSIS

### 2.1. SERVICE DELIVERY ENVIRONMENT

Many countries face delays in their programmes for high-level waste (HLW), in particular spent-fuel disposal, as a variety of technical and socio-political reasons hamper the identification of a site to establish a deep geological repository (DGR) for the disposal of HLW and spent fuel.

The primary consequence of the delays in implementing disposal is that more spent fuel and HLW is stored for longer periods and new storage facilities have to be built. The longer storage, however, also has a beneficial aspect, as it reduces the radioactivity and subsequently the heat load that will be emplaced in the disposal facility. In the absence of a DGR, many countries have opted for away-from-reactor-site storage facilities for HLW and spent fuel.

In addition, improvements in spent-fuel cask storage technology will allow spent fuel and HLW to be stored for up to 100 years. Most designs for spent fuel and HLW disposal are strongly influenced by the heat load of the waste, hence a reduction in heat load makes the disposal facility more compact and, in some respects, easier to design.

South Africa has commenced its journey towards the prudent management and disposal of all its radioactive waste, including HLW and spent fuel, while continuing its disposal operations of LLW at the Vaalputs site in the Northern Cape.

### 2.2. ORGANISATIONAL ENVIRONMENT

The period under review was marred by the devastation caused by the COVID-19 pandemic, which disrupted all facets of people's lives, worsened South Africa's socio-economic challenges, and exerted pressure on the public purse. NRWDI has not escaped the impact of the COVID-19 pandemic.

Over past financial years, NRWDI has consistently improved the discharge of its mandated functions under challenging circumstances that included human resource and budgetary constraints. It can safely be said that NRWDI is in full implementation of all of its programmes, despite some still in their infancy stages.

The CISF project is facing a number of challenges that are threatening its timely delivery. The major challenge is a lack of funds to finance the project stages (ie, feasibility, design development,

design documentation, works, handover and closeout and associated licencing processes) that follow the prefeasibility stage.

### 2.3. KEY POLICY DEVELOPMENTS AND LEGISLATIVE CHANGES

No major legislative amendments or policies were affected during the period under review.

### 2.4. PROGRESS TOWARDS ACHIEVEMENT OF INSTITUTIONAL IMPACTS AND OUTCOMES

The impact that NRWDI seek to achieve, as stated in the Strategic Plan 2020-2025, is "Safe, secure, socially acceptable and environmentally sustainable solutions for radioactive waste disposal". To this end, the Strategic Plan outlines four strategic outcomes:

1. An effective, efficient and responsive NRWDI.
2. Safe disposal of all classes of radioactive waste.
3. Centralised storage of spent nuclear fuel.
4. Compliance with applicable legislative and regulatory requirements.

These outcomes are focused on advancing the National Development Plan (NDP) as the country's development agenda in order to reduce poverty, unemployment and inequality, and contributing to the MTSF in line with government's seven priority outcomes.

The following progress was made against the strategic outcomes:

#### 2.4.1 AN EFFECTIVE, EFFICIENT AND RESPONSIVE NRWDI

Leadership and accountability play a critical role in effective and efficient organisations. In turn, efficiency and effectiveness are hallmarks of high-performance organisations. The Administration Programme plays a catalytic role in supporting NRWDI towards achieving the government's MTSF Priority 1, which is "A capable, ethical and developmental state".

The measure of success in this regard is the building of a high performing organisation that is financially sustainable. NRWDI has obtained four consecutive clean audit opinions and implemented a strategic HR plan to ensure staff are suitably qualified and experienced. Staff participated in various training courses to upskill them. NRWDI has also strengthened its SCM processes to detect and prevent irregular and fruitless and wasteful expenditure. No such expenditure was incurred for the period under review.

#### 2.4.2 SAFE DISPOSAL OF ALL CLASSES OF RADIOACTIVE WASTE

The Radioactive Waste Disposal Operations Programme supports two of the MTSF priorities, namely Priority 1, which is "A capable, ethical and developmental state" and Priority 2, which is "Economic transformation and job creation".

All radioactive waste received for disposal complied with the Waste Acceptance Criteria (WAC) and was safely disposed with no impact on people and the environment.

The NRWDI communicated and shared information with local communities, adjacent farmers, local authorities, government bodies and other interested and affected parties with regard to nuclear and radiation safety matters related to the disposal of radioactive waste.

### 2.4.3 CENTRALISED STORAGE OF SPENT NUCLEAR FUEL

There is currently no national away-from-reactor site and related disposal infrastructure available for the management of spent nuclear fuel. The Science, Engineering and Technology Programme will focus on the establishment of a national Centralised Interim Storage Facility (CISF) by 2030 for the safe storage of Koeberg spent fuel and other HLW.

This programme supports two of the MTSF priorities, namely Priority 1, which is “A capable, ethical and developmental state” and Priority 2, which is “Economic transformation and job creation”.

Ministerial approval was granted to NRWDI to commence with designing, developing and establishing the CISF for the long-term, off-site and above-ground storage of South Africa’s spent nuclear fuel. The prefeasibility study for the CISF has been completed and NRWDI is ready to commence with the feasibility study and establishment of a gateway review team for the project.

NRWDI will use this critical national infrastructure project as a catalyst and an enabler to forge durable partnerships and social compacts between government, business, labour, communities and civil society that will result in job creation, skills development, inclusive growth and economic transformation in order to give impetus to the creation of a capable, ethical and developmental state.

### 2.4.4 COMPLIANCE WITH APPLICABLE LEGISLATIVE AND REGULATORY REQUIREMENTS

Compliance with the requirements and conditions of an approved nuclear installation licence is a prerequisite for any nuclear related projects and operations. A nuclear installation licence requires an integrated management system (IMS) to be established and implemented in accordance with the applicable safety standards and regulatory practices.

This programme supports two of the MTSF priorities, namely Priority 1, which is “A capable, ethical and developmental state” and Priority 2, which is “Economic transformation and job creation”.

NRWDI’s application for a nuclear installation licence to manage and operate the Vaalputs National Radioactive Waste Disposal Facility was supported by all the safety case documents. The safety case documents submitted by NRWDI for the licence application were completed and reviewed by the National Nuclear Regulator (NNR) in December 2020.

The public participation process on NRWDI’s nuclear installation licence application and associated public information document (PID) was concluded by end March 2021 in accordance with the NNR’s directive. It is noteworthy that none of the respondents

in the public participation process opposed NRWDI’s nuclear installation licence application. NRWDI is currently awaiting further direction from the NNR in order to conclude the licensing process.

## 3. INSTITUTIONAL PROGRAMME PERFORMANCE INFORMATION

### 3.1 PROGRAMME I: ADMINISTRATION

#### PURPOSE OF PROGRAMME

The purpose of the programme is to ensure that NRWDI is operationally efficient, cost-effective and properly managed, and complies with good corporate governance principles.

#### SUB-PROGRAMMES

The core outcome is achieved through the provision of key corporate functions under the following sub-programmes:

- (i). Strategic Planning, Monitoring and Evaluation and Reporting coordinates the translation of policy priorities agreed upon by the Board of Directors into actionable strategic plans with clear outcomes, outputs, indicators and resource commitments. It also carries out monitoring and evaluation of the strategy as articulated in the annual performance plan and institutional operational plan to ensure that the NRWDI delivers on its impact statement, and improves and sustains its performance and reporting.
- (ii). Risk Management is responsible for coordinating and supporting the overall institutional risk management process, ensuring that risks are identified and managed so that they do not impact negatively on the institutional performance.
- (iii). Internal Audit plays a pivotal role in the combined assurance framework by providing independent assurance over risk management and systems of internal control
- (iv). Board Secretariat supports the effectiveness of the Board of Directors by monitoring that Board policy and procedures are followed. The secretariat also coordinates the timely completion and dispatch of Board agendas and all documents that are tabled before the Board.
- (v). Communications and Stakeholder Relations aims to remove constraints by achieving alignment through effective stakeholder engagement and value-adding partnerships that are mutually beneficial, and which will result in the organisation meeting and exceeding its goals.
- (vi). Finance and Supply Chain Management ensures compliance with all relevant financial statutes and regulations, the most important of which is the Public Finance Management Act (PFMA). It ensures that goods and services are procured by taking into consideration the procurement legislation and the principles of good corporate governance.
- (vii). Corporate Services provides integrated strategic and operational business enabling services. Legal Services is responsible for providing a comprehensive legal advisory service to enable the entity to execute its mandate effectively within the rule of law. Human Resources (HR) Management provides transformational HR support, enabling the entity

to attract, develop and retain skilled people across the organisation. Information and Communication Technology (ICT) provides long-term planning and day-to-day support in respect of ICT needs, services and systems. Facilities Management ensures physical and information security. It also oversees the provision and maintenance of office accommodation.

The programme and sub-programmes contribute to the Strategic Plan outcome "Effective, efficient and responsive

NRWDI" and supports the MTSF Priority 1, which is "A capable, ethical and developmental state" by contributing to the following:

- A functional, efficient and integrated government.
- A professional, meritocratic and ethical administration.
- A social compact and engagement with key stakeholders.
- Mainstreaming of gender equity, and the empowerment of youth and persons with disability.

The programme performance against the 2020/21 APP outcome targets is depicted in the following table:

#### Programme I – Actual performance against predetermined objectives

Outcomes	Outputs	Output indicators	Actual achievement 2017/18	Actual achievement 2018/19	Actual achievement 2019/20	Planned target 2020/21	Actual target 2020/21	Reason for variance
Effective, efficient and responsive NRWDI.	Implemented finance strategic plan.	Percentage implementation of 5-year strategic finance plan.	N/A	N/A	N/A	80% implementation of year 1 of strategic finance plan.	Target achieved 80% implementation of year 1 of strategic finance plan.	None
	Implemented human capital strategic plan.	Percentage implementation of 5-year human capital strategic plan.	N/A	N/A	N/A	80% implementation of year 1 of human capital strategic plan.	Target achieved 80% implementation of year 1 of human capital strategic plan.	None
	Unqualified audit report.	Unqualified audit report.	N/A	N/A	N/A	Unqualified audit report for 2019/20.	Target achieved Unqualified audit report for 2019/20.	None

#### Strategy to overcome areas of underperformance

Public entity met all the targets set for this programme.

#### Changes to planned targets

Public entity did not change any targets for this programme during the year.

#### Linking performance with budgets

The table below depicts expenditure against the budget for the period under review and the previous financial year for the programme.

#### PROGRAMME I

Programme I	2020/2021			2019//2020		
	Budget R'000	Actual expenditure R'000	(Over)/under expenditure R'000	Budget R'000	Actual expenditure R'000	(Over)/under expenditure R'000
Administration	35,083	27,952	7,131	30,887	24,401	6,486
Total	35,083	27,952	7,131	30,887	24,401	6,486

### 3.2 PROGRAMME 2: RADIOACTIVE WASTE DISPOSAL OPERATIONS

#### PURPOSE OF PROGRAMME

The purpose of the program is to provide, on a national basis, radioactive waste disposal and related services that are safe, technically sound, socially acceptable, environmentally responsible and economically feasible, ensuring that no undue burden is placed on future generations due to past, present and/or future involvement in nuclear programmes.

The future of the environment is a global agenda item, and the management and disposal of radioactive waste material must be carried out in such a manner that human health and the environment are protected.

The following activities are part of the Radioactive Waste Disposal Operations Division:

- Manage, operate and monitor operational radioactive waste disposal facilities, including related predisposal management of radioactive waste on disposal sites.
- Manage ownerless radioactive waste on behalf of the government, including the development of radioactive waste management plans for such waste.
- Provide information on all aspects of radioactive waste management to the public living around radioactive waste disposal facilities and to the public in general.

The programme contributes to the Strategic Plan outcome “Safe disposal of all classes of radioactive waste” and supports two of the MTSF priorities, namely Priority 1, which is “A capable, ethical and developmental state” and Priority 2, which is “Economic transformation and job creation”.

The programme performance against the 2020/21 APP outcome targets are depicted in the following table:

#### Programme 2 – Actual performance against predetermined objectives

Outcomes	Outputs	Output indicators	Actual achievement 2017/18	Actual achievement 2018/19	Actual achievement 2019/20	Planned target 2020/21	Actual target 2020/21	Reason for variance
Safe disposal of all classes of radioactive waste.	All radioactive waste classes disposed.	Percentage compliance rate for annual SHEQ audit for disposal facilities on Vaalputs site.	84%	88%	80%	80% compliance rate for annual SHEQ audit for disposal facilities on Vaalputs site.	Target not achieved	The SHEQ audit could not be conducted due to COVID-19 pandemic.
		Number of public safety information forum (PSIF) meetings held with communities surrounding Vaalputs.	4	4	4	Two public safety information forum (PSIF) meetings held with communities surrounding Vaalputs.	Target achieved The two in-person PSIF meetings with communities surrounding Vaalputs were postponed due to the COVID-19 pandemic. Information that was supposed to be shared at PSIF meetings was distributed to stakeholders and placed on the NRWDI website.	None
		Percentage acceptance rate for the disposal of waste packages received from waste generators for disposal.	N/A	N/A	N/A	95% acceptance rate for the disposal of waste packages received from waste generators for disposal.	Target achieved 100% acceptance rate for the disposal of waste packages received from waste generators for disposal.	Pre-waste disposal shipment inspections executed to ensure 100% compliance with the waste acceptance criteria for disposal.

#### Strategy to overcome areas of underperformance

The SHEQ audit by an independent third party could not be conducted due to the COVID-19 pandemic.

#### Changes to planned targets

Public entity did not change any targets for this programme during the year.

### Linking performance with budgets

The table below depicts expenditure against the budget for the period under review and the previous financial year for the programme.

#### PROGRAMME 2

Programme	2020/2021			2019/2020		
	Budget R'000	Actual expenditure R'000	expenditure R'000	Budget R'000	Actual expenditure R'000	(Over)/under expenditure R'000
Radioactive Waste Disposal Operations	2,690	2,422	268	4,630	3,707	923
<b>Total</b>	<b>2,690</b>	<b>2,422</b>	<b>268</b>	<b>4,630</b>	<b>3,707</b>	<b>923</b>

### 3.3 PROGRAMME 3: SCIENCE, ENGINEERING AND TECHNOLOGY

#### PURPOSE OF PROGRAMME

The purpose of the programme is to develop and implement technologies for all classes of radioactive waste for which there is currently no infrastructure for safe storage and disposal.

The following activities are part of the Science, Engineering and Technology Division:

- Investigate the need for any new radioactive waste disposal facilities and site, design and construct new facilities as required.
- Define and conduct research and development aimed

at finding solutions for long term radioactive waste management.

- Maintain a national radioactive waste database and publish a report on the inventory and location of all radioactive waste in the Republic at a frequency determined by the Board of Directors.

The programme contributes to the Strategic Plan outcome "Centralised storage of spent nuclear fuel" and supports two of the MTSF priorities, namely Priority 1, which is "A capable, ethical and developmental state" and Priority 2, which is "Economic transformation and job creation".

The programme performance against the 2020/21 APP outcome targets is depicted the following table

#### Programme 3 – Actual performance against predetermined objectives

Outcomes	Outputs	Output indicators	Actual achievement 2017/18	Actual achievement 2018/19	Actual achievement 2019/20	Planned target 2020/21	Actual target 2020/21	Reason for Variance
Centralised storage of spent nuclear fuel.	CISF established.	Percentage of CISF project plan implemented.	N/A	N/A	N/A	20% of CISF project plan implemented.	Target achieved 20% of CISF project plan implemented.	None

#### Strategy to overcome areas of underperformance

Public entity met all the targets set for this programme.

#### Changes to planned targets

Public entity did not change any targets for this programme during the year.

#### Linking performance with budgets

The table below depicts expenditure against the budget for the period under review and the previous financial year for the programme.

### PROGRAMME 3

Programme	2020/2021			2019//2020		
	Budget	Actual expenditure	(Over)/under expenditure	Budget	Actual expenditure	(Over)/under expenditure
	R'000	R'000	R'000	R'000	R'000	R'000
Science, Engineering and Technology	5,127	4,736	391	4,937	4,580	357
<b>Total</b>	<b>5,127</b>	<b>4,736</b>	<b>391</b>	<b>4,937</b>	<b>4,580</b>	<b>357</b>

### 3.4 PROGRAMME 4: RADIOACTIVE WASTE COMPLIANCE MANAGEMENT

#### PURPOSE OF PROGRAMME

The purpose of the programme is to ensure that NRWDI's core mandate (disposal of radioactive waste on a national basis) is executed in compliance with quality, health, safety, environmental and nuclear licencing regulatory requirements, relevant international standards and best practices. The programme also seeks to provide management systems and resources to discharge the obligations associated with holding a nuclear authorisation. The Radioactive Waste Compliance Management Division ensures compliance with the nuclear installation licence, including the required safety, health, environment and quality management systems.

The following activities are part of the Radioactive Waste Compliance Management Division:

- Implementation of institutional control over closed repositories, including radiological monitoring and maintenance as appropriate.
- Assessing and inspecting the acceptability of radioactive waste disposal certificates.
- Developing criteria for accepting and disposing of radioactive waste in compliance with applicable regulatory safety requirements, and any other technical and operational requirements.

The programme contributes to the Strategic Plan outcomes, namely "Compliance with applicable legislative and regulatory requirements", "Safe disposal of all classes of radioactive waste" and "Centralised storage of spent nuclear fuel" and supports the MTSF Priority I, which is "A capable, ethical and developmental state".

#### Programme 4 – Actual performance against predetermined objectives

The programme performance against the 2020/21 APP outcome targets is depicted in the following table:

Outcomes	Outputs	Output indicators	Actual achievement 2017/18	Actual achievement 2018/19	Actual achievement 2019/20	Planned target 2020/21	Actual target 2020/21	Reason for variance
Compliance with the applicable statutory requirements.	Management system requirements implemented.	Percentage implementation of the radiation protection programme for Vaalputs.	N/A	N/A	N/A	80% of the annual project plan for implementation of the radiation protection programme executed.	Target achieved 80% of the annual project plan for implementation of the radiation protection programme executed.	None
		Percentage implementation of a quality management system for NRWDI that is ISO 9001 compliant.	N/A	N/A	N/A	80% of the annual project plan for implementation of an ISO 9001-compliant quality management system executed.	Target achieved 80% of the annual project plan for implementation of an ISO 9001-compliant quality management system executed.	None

Outcomes	Outputs	Output indicators	Actual achievement 2017/18	Actual achievement 2018/19	Actual achievement 2019/20	Planned target 2020/21	Actual target 2020/21	Reason for variance
		Percentage implementation of an ISO-compliant SHE management system for NRWDI.	N/A	N/A	N/A	80% of the annual project plan for implementation of an ISO-compliant SHE management system executed.	Target achieved 80% of the annual project plan for implementation of an ISO-compliant SHE management system executed.	None

### Strategy to overcome areas of underperformance

Public entity met all the targets set for this programme.

### Changes to planned targets

Public entity did not change any targets for this programme during the year.

### Linking performance with budgets

The table below depicts expenditure against the budget for the period under review and the previous financial year for the programme.

#### Programme 4: Actual performance against predetermined objectives

	2020/2021			2019/2020		
	Budget R'000	Actual expenditure R'000	(Over)/under expenditure R'000	Budget R'000	Actual expenditure R'000	(Over)/under expenditure R'000
Radioactive Waste Compliance Management	8,591	10,923	(2,332)	8,570	11,803	(3,233)
<b>Total</b>	<b>8,591</b>	<b>10,923</b>	<b>(2,332)</b>	<b>8,570</b>	<b>11,803</b>	<b>(3,233)</b>

### Reporting on the institutional response to the COVID-19 pandemic

NRWDI made significant strides in the terms of responding to the global pandemic by appointing a COVID-19 task team that constantly provides the entity with real-time data and statistics regarding the infection rate and deaths. The COVID-19 task team has regular meetings to assess the risks and devise mitigation strategies in line with government's regulations and guidelines. The entity further responded with appropriate policies and procedures to meet the requirements of gazetted disaster management regulations. A return-to-workplace plan, which made provision for staff to return to work without undue risks, was completed and approved.

NRWDI's Employee Assistance Programme (EAP) was launched on 10 February 2021, and is meant to support employees' psychological and physical wellbeing by providing access to counselling and referrals to appropriate professional resources. Stress brought on by the COVID-19 pandemic is one of the EAP's focus areas.

## 4. REVENUE COLLECTION

Sources of revenue	2020/2021			2019/2020		
	Estimate R'000	Actual amount collected R'000	(Over)/under collection R'000	Estimate R'000	Actual amount collected R'000	(Over)/under collection R'000
Government grant	49,397	49,397	0	47,499	47,499	0
Other income	2,094	1,184	910	1,526	2,520	(994)
<b>Total</b>	<b>51,491</b>	<b>50,581</b>	<b>910</b>	<b>49,025</b>	<b>50,019</b>	<b>(994)</b>

The main source of revenue for the NRWDI is the government grant of R49.397 million (2019: R47.499 million). Other revenue streams are compensation for rendering of services and investment income. Investment income collected during the current financial year was lower due to decreasing interest yields derived from the investment.

# PART C

## GOVERNANCE



## 1. INTRODUCTION

Corporate governance entails processes and systems that direct, control and hold public entities to account. In addition to requirements based on a public entity's enabling legislation and the Companies Act, corporate governance with regard to public entities is applied through the prescripts of the Public Finance Management Act (PFMA) and runs in tandem with the principles contained in the King IV Code Report on Corporate Governance.

Parliament, and the executive and accounting authorities of the public entity are responsible for corporate governance.

## 2. PORTFOLIO COMMITTEE

NRWDI appeared before the Portfolio Committee on Mineral Resources and Energy on 19 May 2020 to present the 2020/21 APP and 2020 – 2025 Strategic Plan.

## 3. EXECUTIVE AUTHORITY

The PFMA, Treasury Regulation 26.1 and Section 8.4.1 of the Revised Framework of Strategic Plans and APPs, issued by National Treasury, prescribe that the accounting authority is to submit quarterly performance reports to the executive authority within 30 days after the end of each quarter, with particular reference to monitoring delivery against quarterly performance targets.

During the 2020/21 financial year, NRWDI was fully compliant with the above-mentioned statutory reporting requirement. NRWDI's quarterly Integrated Performance and Compliance Reports, which outline the NRWDI's performance against the 2020/21 APP, the NRWDI's financial performance and position, as well as the state of the NRWDI's governance environment, including compliance and risk management, were prepared and approved by the accounting authority and submitted to the executive authority.

## 4. THE ACCOUNTING AUTHORITY/BOARD

### INTRODUCTION

In terms of Section 7 of the NRWDI Act, the Board of Directors is the accounting authority, as contemplated in Section 49(2)(a) of the PFMA.

The Board affirms its commitment to the highest standards of corporate governance. It recognises that practices and procedures can always be improved and will therefore continually review NRWDI's own norms and standards.

NRWDI remains committed to the principles of openness, integrity, and accountability. It continually reviews its processes and practices to ensure compliance with legal obligations and adherence to good corporate governance in terms of the King IV Code on Corporate Governance and the PFMA which are integral parts of NRWDI's objectives.

The primary objective of corporate governance is to ensure that the Board and those who manage NRWDI's day-to-day operations, carry out their responsibilities faithfully and effectively, while placing the interests of the organisation ahead of their own.

This process is facilitated through the establishment of appropriate reporting and control structures within NRWDI.

As the accounting authority, the Board is accountable to the executive authority and is ultimately responsible for the implementation of sound corporate governance practices in accordance with King IV and the agreed shareholders' compact. The Board and its sub-committees will continue to pay attention to issues of governance, including transparency, disclosure, financial control and accountability.

### The roles and responsibilities of the Board of Directors

In addition to the roles and responsibilities that the Board executes in accordance with the prescripts of King IV, the NRWDI Act and the PFMA, it also:

- Approves NRWDI's strategic plan and annual performance plan.
- Monitors the implementation of the NRWDI's strategic plan and annual performance plan.
- Ensures that policies and procedures that provide for effective risk management and internal controls are established and reviewed.
- Recognises the need for establishing and appointing committees to enable it to comply with the PFMA and other legal requirements.
- Determines the composition of committees and amends, develops, and implements any rules, regulations, and procedures which it may deem necessary.

Board members undertake to act in the best interests of NRWDI. They do this by ensuring adherence to legal standards of conduct, by seeking independent advice in connection with their duties following an agreed procedure, and by disclosing real or perceived conflict-related matters to the Board and by dealing with the matters accordingly.

### Board Charter

The Board Charter, which is reviewed annually, articulates the scope of authority, responsibility, composition and functioning of the Board. The Directors retain overall responsibility and accountability to:

- Review the NRWDI's objectives;
- Review the strategies for achieving the NRWDI's objectives;
- Approve the annual financial statements, report to shareholders and stakeholder engagements;
- Review the NRWDI's internal and external audit reports;
- Review the performance of and the necessity for the composition of the Board and Board committees;
- Review remuneration policies and practices in general; and
- Review risk assessment policies and controls, including compliance with legal and regulatory requirements. The Board Charter is closely aligned with the principles enshrined in the King IV Code on Corporate Governance.

The Board confirms that, during the period under review, it satisfactorily discharged its duties and obligations as contained in the Board Charter.

## Board composition

The Minister of Mineral Resources and Energy appointed the NRWDI Board of Directors in terms of Section 7 of the National Radioactive Waste Disposal Act for a period of three years. The Board is comprised of:

- An official of the Department designated by the Minister;
- An official nominated by the Department of Environment, Forestry and Fisheries;
- An official nominated by the Department of Human Settlements, Water and Sanitation, appointed by the Minister;
- An official nominated by the Department of Health and appointed by the Minister;
- Not more than five other directors;
- The CEO of NRWDI; and
- The CFO of NRWDI.

In conducting its responsibilities, the Board makes use of committees to advise it on matters related to auditing, ethics, human resources, finance as well as technical nuclear matters related to the legislative mandate of the organisation. The Board has established several committees to assist it to execute its mandate.

## Human Resources, Social and Ethics Committee (HR-SEC)

The committee meets quarterly to consider matters such as the remuneration policy, the remuneration of executive management, succession planning, directors' remuneration, incentive schemes

During the period under review, the Board held five meetings. The Board membership and the meetings attended are depicted in the table below:

### Composition of the Board

Name	Designation (in terms of the public entity Board structure)	Date appointed	Date on which appointment expires	Qualifications	Areas of expertise	Board directorships (list the entities)	Other committees or task teams (eg, ARC/ ministerial task team)	Number of meetings attended
Ms Thandeka Zungu	Chairperson	11 August 2020	10 August 2023	BCom; Postgraduate Diploma in Education; Public Sector Governance	Leadership, strategic planning, audit and risk management, governance and compliance	None	Not applicable	5 / 5
Mr Mogwera Khoathane	Deputy chairperson	11 August 2020	10 August 2023	BSc (Hons Physics); Management Development Programme; Postgraduate Diploma in Business Management; Masters in Business Leadership	Radiation science, leadership, business management	Saracosa (Pty) Ltd; Zimkile Consulting (Pty) Ltd; Lekgotla Investment Trust	Chairperson of TOC Member of ARC	5 / 5

and other human resource matters. This committee also advises the Board on social and ethical issues, health, safety and security, environmental as well as other HR and remuneration matters. It reports to the Board in line with King IV requirements.

## Technical and Operations Committee (TOC)

The duties and functions of the committee *inter alia* includes:

- To review the framework, policies and guidelines for radioactive waste operations; technology; research and development and compliance management as far as it is relevant to the work of the committee; and
- To review and make recommendations to the Board of Directors on any other technical issue that may influence the Board's decisions on the safe management and disposal of radioactive waste.

## Audit and Risk Committee (ARC)

The ARC assists the Board by exercising oversight responsibility on the integrity of NRWDI's financial statements, the extent of compliance with legal and policy requirements, the system of internal control and risk management, the adequacy of the Internal Audit function and external auditors, the performance of management in terms of the strategic plans and APP, ICT and any other matters related to its mandate referred to it by the Board.

### Composition of the Board (continued)

Name	Designation (in terms of the public entity Board structure)	Date appointed	Date on which appointment expires	Qualifications	Areas of expertise	Board directorships (list the entities)	Other committees or task teams (eg, ARC/ ministerial task team)	Number of meetings attended
Ms Leanda-Marsha Mtshali	Member	11 August 2020	10 August 2023	LLB; Advanced Corporate Law I & II; Postgraduate Diploma In Corporate Law	Property law, conveyancing, corporate/commercial law, corporate governance, compliance & risk management, company secretarial, ethics	CIPC audit committee member; Companies Tribunal ARC member; Ports Regulator of South Africa Board member; Tribunal member; South African Human Rights Commission ARC member	Chairperson of ARC Member of HR-SEC	5 / 5
Dr Kgaugelo Chiloane	Member	11 August 2020	10 August 2023	BSc (Hons Chemistry); MSc; PhD (Environmental Science)	Environmental science, climate change, air quality, environmental economics, social impacts assessments	KEC Environmental Solutions (Pty) Ltd; Adaptation Institute of Southern Africa; advisory panel member of SA Centre of Nuclear Safety and Security	Chairperson of HR-SEC Member of ARC	5 / 5
Dr Cornelius Ruiters	Member	11 August 2020	10 August 2023	MSc; PhD (Natural Science); MBA; PhD (Civil Engineering)	Civil engineering, environmental science, infrastructure development, project management, project finance	CRE Consulting (Pty) Ltd	Member of TOC Member of HR-SEC	5 / 5
Ms Lerato Makgae	Member	11 August 2020	10 August 2023	MSc (Applied Radiation Science and Technology)	Nuclear policy, nuclear cooperation agreements and international obligations, nuclear stakeholder management, applied radiation science and technology	None	Member of TOC	5 / 5
Mr Alan Carolissen	Acting CEO (ex-officio member)	1 April 2018	Not applicable	BSc (Chemistry and Biochemistry); MBA	Radioactive waste management and disposal, strategic management, business operations management, corporate governance, SHEQR management and stakeholder engagement	None	Member of ARC Member of TOC Member of HR-SEC	5 / 5

### Composition of the Board (continued)

Name	Designation (in terms of the public entity Board structure)	Date appointed	Date on which appointment expires	Qualifications	Areas of expertise	Board directorships (list the entities)	Other committees or task teams (eg, ARC/ministerial task team)	Number of meetings attended
Mr Justin Daniel	CFO (ex-officio member)	1 October 2016	Not applicable	B Compt	Financial management, financial accounting, supply chain management, asset management	None	Member of ARC Member of TOC Member of HR-SEC	5 / 5

During the period under review, the TOC held two meetings. The TOC membership and meetings attended are depicted in the table below.

### Composition of the TOC

Name	Qualifications	Date appointed	Date on which appointment expires	Number of meetings attended
Mr Mogwera Khoathane	BSc (Hons Physics); Management Development Programme; Postgraduate Diploma in Business Management; Masters in Business Leadership	11 August 2020	10 August 2023	2 / 2
Dr Cornelius Ruiters	BSc (Hons); MSc; PhD (Natural Science); Graduate Diploma in Engineering; MEng (Civil Engineering); MBA; PhD (Civil Engineering)	11 August 2020	10 August 2023	2 / 2
Ms Lerato Makgae	MSc (Applied Radiation Science and Technology)	11 August 2020	10 August 2023	2 / 2
Mr Alan Carolissen	BSc (Chemistry and Biochemistry); MBA	1 April 2018	Not applicable	2 / 2
Mr Justin Daniel	B Compt	1 October 2016	Not applicable	2 / 2

During the period under review, the HR-SEC held three meetings. The HR-SEC membership and meetings attended are depicted in the table below.

### Composition of the HR-SEC

Name	Qualifications	Date appointed	Date on which appointment expires	Number of meetings attended
Dr Kgaugelo Chiloane	BSc (Honours Chemistry); Phd (Environmental Science)	11 August 2020	10 August 2023	3 / 3
Dr Cornelius Ruiters	MSc PhD (Natural Science); MBA; PhD (Civil Engineering)	11 August 2020	10 August 2023	3 / 3
Ms Leanda-Marsha Mtshali	LLB; Advanced Corporate Law I & II; Postgraduate Diploma in Corporate Law	11 August 2020	10 August 2023	2 / 3
Mr Alan Carolissen	BSc (Chemistry and Biochemistry); MBA	1 April 2018	Not applicable	3 / 3
Mr Justin Daniel	B Compt	1 October 2016	Not applicable	3 / 3

During the period under review, the ARC held three meetings. The ARC membership and meetings attended are depicted in the table below.

### Composition of the ARC

Name	Qualifications	Internal or External	Date appointed	Date on which appointment expires	No. of Meetings attended
Ms Leanda-Marsha Mtshali	LLB; Advanced Corporate Law I & II; Postgraduate Diploma in Corporate Law	External	11 August 2020	10 August 2023	3 / 3
Mr Mogwera Khoathane	BSc (Hons physics); Management Development Programme; Postgraduate Diploma in Business Management; Masters in Business Leadership	External	11 August 2020	10 August 2023	3 / 3
Dr Kgaugelo Chiloane	BSc (Hons chemistry); MSc; PhD (Environmental Science)	External	11 August 2020	10 August 2023	3 / 3
Mr Alan Carolissen	BSc (Chemistry and Biochemistry); MBA	Internal (Acting CEO)	1 April 2018	Not applicable	3 / 3
Mr Justin Daniel	BCompt	Internal (CFO)	1 October 2016	Not applicable	3 / 3

### Remuneration of Board members

Members of the Board are remunerated for meeting attendance and preparation in accordance with National Treasury's determination. Members are also reimbursed for any travel and/or business expenses incurred. The Board's remuneration is based on NRWDI's classification as a Schedule 3A public entity. One of the members of the Board is employed by an organ of state and is not entitled to remuneration other than a refund for out-of-pocket expenses incurred to attend a meeting. The remuneration of Board members is depicted in the table below:

Name	Remuneration	Other allowance	Other reimbursements	Total Rands
Dr Kgaugelo Chiloane	86,427	0	2,273	88,700
Mr Mogwera Khoathane	65,883	0	3,217	69,100
Dr Cornelius Ruiters	59,538	0	1,153	60,691
Ms Leanda-Marsha Mtshali	77,346	0	1,928	79,274
Ms Thandeka Zungu	147,107	0	5,037	152,144
Ms Lerato Makgae*	0	0	0	0

\* Member is a public official appointed in terms of the Public Service Act and hence have not been remunerated for participating in meetings

## 5. RISK MANAGEMENT

The Board acknowledges that it is responsible for the entire process of risk management, and the effectiveness of the process. The ARC is mandated to assess the effectiveness of NRWDI's risk management process. NRWDI's management team is accountable for designing, implementing and monitoring the process of risk management, and integrating it into the entity's day-to-day activities.

NRWDI has a risk management framework that was approved by the Board. It specifically addresses the structures, processes and standards that are implemented to manage risks across the entity in a consistent manner. The framework addresses the specific responsibilities and accountabilities for the risk management process, and the reporting of risks and mitigating measures at various levels within NRWDI.

Risks workshops are held on an annual and quarterly basis, giving the different programmes an opportunity to identify emerging risks, assess current risks and report on their risks mitigation strategies. These risk reports are consolidated with the quarterly reports and are reported on at the ARC meetings. The ARC advises management with regards to the mitigation of unacceptable risks. The ARC, as well as the Board and the

shareholder, independently monitors the effectiveness of the system of risk management on a quarterly basis.

## 6. INTERNAL CONTROL UNIT

Internal controls are the mechanisms, rules and procedures implemented by an organisation to ensure the integrity of financial and accounting information, promote accountability and prevent fraud. The controls are based on established policies and procedures and are implemented with appropriate separation of duties and responsibilities. The Internal Audit function operates under the direction of the ARC, which approves its scope of work. Significant findings are reported to the ARC. The effectiveness of NRWDI's internal controls is borne out by the unqualified audits the entity has received in the past four years.

## 7. COMPLIANCE WITH LAWS AND REGULATIONS

The Board, with the assistance of the ARC, ensures that NRWDI's management team has the necessary mechanisms in place to comply with legislation and regulations governing its activities.

This responsibility entails:

- Reviewing policy documents to ensure incorporation of laws, regulations, ethics and policies, and the reviewing of rules that ensure compliance and address conflicts of interest.
- Monitoring compliance with policies and procedures.
- Noting and addressing significant cases of employee conflict of interest, misconduct or fraud, and the resolution of such cases.
- Reviewing the internal auditor's report on the scope of compliance reviews, and the resolution of findings and follow-up on recommendations.
- Monitoring developments and changes in legislation regarding the accountability, responsibilities and liabilities of NRWDI's management team, and monitoring and reviewing the extent to which NRWDI's management team meets its obligations.
- Monitoring developments and changes in the legislation and regulations that relate to NRWDI operations.
- Monitoring and reviewing the extent to which NRWDI complies with such legislation.

## 8. FRAUD AND CORRUPTION

NRWDI has adopted a code of business ethics and a business conduct policy that articulate the values and acceptable ethical standards that all persons associated with NRWDI are required to adhere to. NRWDI acknowledges that in today's business environment, fraud is prevalent and all business organisations are susceptible to the risk of fraud.

A fraud prevention plan was developed in response to the expressed commitment of government to fight fraud and corruption. It is also an important contribution to the National Anti-Corruption Strategy of the country, as well as the Public Service Anti-Corruption Strategy.

The purpose of the fraud prevention plan is to set out and reinforce NRWDI's policy of zero tolerance towards fraud and corruption, as well as management's commitment to combating all forms of fraud in NRWDI's operations. The plan outlines the NRWDI's framework and strategy for the prevention, deterrence, detection, reporting, investigation and handling of fraud and corporate crime. The plan establishes a process for oversight of fraud risk by the ARC and spells out responsibilities and ownership with respect to assisting NRWDI to minimise its fraud risk exposure.

NRWDI will take appropriate legal recourse to recover losses or damages arising from fraud, corruption, theft or maladministration. The accountability to conduct investigations regarding allegations of fraud, corruption, theft, maladministration and any other dishonest activity resides with the CEO.

NRWDI forged a partnership with the Public Service Commission to use its national anti-corruption hotline on a *no-fee* basis. The agreement is a win-win outcome for both parties, as NRWDI risked incurring exorbitant costs if a private hotline had to be sourced. The Public Service Commission is mandated as the custodian of good governance in the country. Allegations of fraud, corruption and misconduct reported via the national anti-corruption hotline will be reported to the CEO in the case of an employee, and to the chairperson of the ARC should the CEO be implicated.

Whistle blowers are protected in accordance with the Protected Disclosures Act (Act No. 26 of 2000). No cases were reported in the period under review.

## 9. MINIMISING CONFLICT OF INTEREST

In order to minimise conflict of interest, the following mechanisms have been implemented:

- Board and executive members must disclose their financial interests annually as required by the DMRE in terms of the financial disclosure frameworks.
- All staff are required to disclose their financial interests on an annual basis.
- Consequence management will be resorted to should there be non-compliance.
- Completing a conflict of interest disclosure is a requirement for all meeting attendees in various management structures.

During the period under review, no conflicts of interest have been identified.

## 10. CODE OF CONDUCT

A code of ethics and business conduct policy for NRWDI was approved by the Board and brought to the attention of all staff. The code of ethics and business conduct policy will serve as a guideline as to what is expected of staff from an ethical perspective on an individual level, as well as in their relationships with others.

Compliance with the code of conduct is expected to enhance professionalism and contribute to confidence in the entity. Failure to comply with any provisions of the code of conduct will be interpreted as a violation of the NRWDI's values. Moreover, the

employee concerned will be dealt with according to the entity's grievance and/or disciplinary process.

There has been no breach of the code of ethics and business conduct policy during the period under review.

## 11. HEALTH, SAFETY AND ENVIRONMENTAL ISSUES

NRWDI recognises that it needs to embrace and institutionalise a robust safety culture in executing its mandate. It is therefore imperative that safety in the execution of operational activities and a safety culture be prioritised.

NRWDI established a SHEQ committee in terms of section 19 of the Occupational Health and Safety Act (Act No. 85 of 1993) where safety, health, environment, quality and licensing related matters within the NRWDI are discussed and actioned. NRWDI further implements a behavioural-based safety (BBS) system to foster a culture of safety among all staff through continual assessment and improvement of safety in the workplace.

For the period under review, NRWDI staff worked 257 554 man-hours without a disabling injury. The disabling injury incident rate (DIIR) remained zero for the fourth consecutive year, and no COVID-19 positive cases, resulting from occupational exposure, were reported.

## 12. BOARD SECRETARY

The Board secretary ensures that legislation, Board processes, the Board Charter and all other applicable governance prescripts are observed. As the custodian of all governance structures within the organisation, the Board secretary also provides guidance to the directors on governance, compliance and matters related to their general fiduciary responsibilities. All directors have unlimited access to the advice and services of the Board secretary, and all directors are entitled to seek independent professional advice related to the performance of their functions, at the expense of NRWDI and subject to the approval of the Board chairperson.

The Board secretary is responsible for coordinating, among other things, all Board operations and activities, the Board induction programme for newly appointed directors, the annual Board evaluation processes, the Board development programme and the annual financial disclosure process of Board members.

## 13. SOCIAL RESPONSIBILITY

As a good corporate citizen, NRWDI integrates corporate social responsibility in its operating model. It embraces CSI initiatives to make a positive impact on the communities in which it operates, the environment, and health and science, technology, engineering and mathematics (STEM) education in the country, thereby contributing to social cohesion, poverty alleviation and skills development. NRWDI's specific focus is on women, the youth and people with disabilities.

## 14. AUDIT COMMITTEE REPORT

We are pleased to present our report for the financial year ended 31 March 2021.

The overall purpose of the ARC is to assist the Board in discharging its responsibilities relating to the safeguarding of assets, the operation of adequate and effective system and control processes, and the preparation of integrated reports, including financial statements, in compliance with relevant legislation.

The mandate of the ARC requires it to adhere to high-quality standards of accountability in order to ensure the quality of the financial reporting processes, control systems and risk management process, and to help maintain a high degree of integrity in external and internal audit processes.

### ARC responsibility

The ARC is an advisory committee and its responsibilities include overseeing the financial reporting process, assessing the process relating to and the results emanating from NRWDI's risk and control environment, and reviewing the disclosure of sustainability issues in the integrated report to ensure that the report is reliable and does not conflict with the financial information.

The ARC hereby reports that it has complied with its responsibilities arising from section 51(1) (a)(ii) of the PFMA and Treasury Regulation 27.1.

The committee also reports that it has adopted appropriate formal terms of reference as its ARC charter, has regulated its affairs in compliance with this charter, and has discharged all its responsibilities as contained therein.

### Risk management

The entity has established a process for the management and monitoring of risk. Given that the entity is in the early stages of operationalisation, the ARC has reviewed the risk management process, strategic and operational risk registers, and made necessary inputs and contributions.

### The effectiveness of internal control

The system of internal controls applied by the entity over financial and risk management is satisfactory, with significant progress noted in the latter six months of the year.

Accordingly, we can report that the system of internal control over financial reporting for the period under review was satisfactory, with noted improvements.

The ARC is satisfied with the content and quality of quarterly reports prepared and issued by the accounting officer of the entity during the year under review.

### Evaluation of audited annual financial statements

The audit committee has:

- Reviewed and discussed the audited annual financial statements to be included in the annual report, with the Auditor General and the Board of Directors.
- Reviewed the Auditor General's management report and management's response thereto.
- Reviewed changes in accounting policies and practices.

- Reviewed the entity's compliance with legal and regulatory provisions.
- Reviewed significant adjustments resulting from the audit.

The audit committee concurs with and accepts the Auditor General's report on the audited annual financial statements and is of the opinion that the audited annual financial statements should be accepted and read together with the report of the Auditor General.

#### Internal audit

In line with the PFMA and the King IV Report on Corporate Governance, an internal audit unit must be established to provide the ARC and management with assurance that the internal controls are appropriate and effective.

This is achieved by means of the risk management process, as well as the identification of corrective actions and suggested enhancements to controls and processes.

#### Auditor General South Africa

The ARC has, as and when necessary, met with the Auditor General to ensure that there are no unresolved issues.

#### Appreciation

The ARC expresses its sincere appreciation to the acting Chief Executive Officer, senior management team and the Auditor General for their contributions.



**Ms Leanda-Marsha Mtshali**

Chairperson: Audit and Risk Committee

31 August 2021

## 15. B-BBEE COMPLIANCE PERFORMANCE INFORMATION

The following table has been completed in accordance with the compliance to the B-BBEE requirements of the B-BBEE Act of 2013 and as determined by the Department of Trade and Industry.

Has the public entity applied any relevant code of good practice (B-BBEE certificate Levels 1 – 8) with regards to the following:		
Criteria	Response Yes/No	Discussion
Determining qualification criteria for the issuing of licences, concessions or other authorisations in respect of economic activity in terms of any law?	No	Not in current financial year
Developing and implementing a preferential procurement policy? The preferential procurement policy as issued by National Treasury through its Supply Chain Management Policy and Process Manual.	No	NRWDI has adopted and is implementing the preferential procurement policy as issued by National Treasury through its Supply Chain Management Policy and Process Manual
Determining qualification criteria for the sale of state-owned enterprises?	No	Not in current financial year
Developing criteria for entering into partnerships with the private sector?	No	Not in current financial year
Determining criteria for the awarding of incentives, grants and investment schemes in support of broad-based black economic empowerment?	No	Not in current financial year

# PART D

## HUMAN RESOURCES MANAGEMENT



## I. INTRODUCTION

The NRWDI's success as a national radioactive waste management and disposal entity depends on its ability to attract, develop and retain capable employees. Its Human Capital Strategic Plan (2020/21 – 2022/23) is therefore an integrated approach, focused primarily on the staff capabilities and organisational culture elements required to support organisational effectiveness and the effective management of human capital.

The integrated approach has created a foundation upon which the Human Resources (HR) function can continue to improve the internal HR processes, while giving direction on managing and sustaining organisational performance, development and talent strategies.

### OVERVIEW OF HR MATTERS AT THE PUBLIC ENTITY

The HR function delivers a suite of operational, tactical and strategic services that support the achievement of the strategic objectives of the organisation. While it is critical to have a people-focused approach, the HR function is also driven by business priorities and requirements. It is on this premise that there is a level of flexibility built in to accommodate changing business priorities that may need to be steered from a human capital perspective.

Our human resources management strategic intent is to have a competent and high-performing workforce that is excellence driven. The strategic thrust is therefore premised on:

- Ensuring strong human capital governance.
- Attention to organisational culture.
- Offering on a compelling employee value proposition.
- Strengthening of leadership/managerial capacity.
- Ensuring appropriate talent and performance management.
- Employee reward and recognition.
- Elevation of HR to a trusted advisor and strategic partner.
- Fostering positive employee/manager/labour relations.

### HR PRIORITIES FOR THE YEAR UNDER REVIEW AND THEIR IMPACT

During the reporting period, the NRWDI focused on a number of HR priorities, whose impact has enhanced organisational effectiveness.

- **Training and skills development in support of talent management**  
NRWDI adopted appropriate talent management strategies in alignment to its changing and dynamic operating environment. The skills development committee oversees the training and development of NRWDI employees within a comprehensive talent management approach.
- **Leadership/management capacity**  
In order to deliver on its mandate, NRWDI has equipped managers and executives at all levels through comprehensive training with the requisite management and leadership skills for the successful operation of NRWDI.

- **Employee assistance programme**  
During the year under review, employee health and wellness was prioritised in order to contribute to the physical, emotional and psychological wellbeing of employees. The aim was to provide educational awareness, behavioural and lifestyle changes, and supportive work programmes.

An integrated employee assistance programme (EAP) was thus commissioned and introduced. An EAP service provider, ICAS, was appointed. The service supports employees with the necessary interventions and self-management tools to better manage their lifestyles and to make informed decisions. It also helps employees to improve their work-life balance.

The EAP provides employees with, among others:

- Access to a call centre (24/7/365).
  - Telephonic counselling.
  - Trauma debriefing sessions (within 24 hours).
  - Face-to-face counselling (where required).
  - Legal advice.
  - Health advice.
  - Access to an interactive website.
  - Electronic promotional materials.
- **Workforce planning, recruitment and selection**  
Implementation of our workforce planning framework, in order to attract and recruit a skilled and capable workforce, continued to be a strategic imperative, especially given the complexity of the organisation's environment and the need to ensure adequate human resources to deliver on its mandate. The recruitment and selection processes are in compliance with applicable HR policies and legislation.
  - **Knowledge management**  
It has been deemed important for NRWDI to develop a process to manage how knowledge is acquired, constructed, transferred and shared with all members of the organisation, in a way that seeks to achieve the organisation's objectives. A NRWDI knowledge management policy was developed during the period under review. Knowledge management as a discipline promotes an integrated approach to create, identify, evaluate, capture, enhance, share and apply an organisation's intellectual capital.
  - **Employee performance management and development**  
In the year under review, performance management and development processes were reviewed and strengthened in support of organisational effectiveness and efficiency.
  - **Job grading and evaluation**  
Following a review of the organisational design and structure in the previous year, a job grading and evaluation exercise (using the Paterson job grading model) was conducted for all jobs in the approved structure. In the upcoming financial year, a remuneration benchmarking and review of remuneration levels will be done.

- Change management**  
 A change management plan to deal with change imperatives during and after the transitional period that NRWDI is undergoing, was formulated. Its purpose is to guide change management actions, in particular to support the Vaalputs functional shift in which employees at the Vaalputs waste disposal facility (formerly Necsa employees) are to be integrated into NRWDI.
- Employment equity**  
 Progress made with the employment equity (EE) plan has resulted in the overall target for black people and women being exceeded. While women remain underrepresented at senior and executive levels, suitably qualified women were appointed in enough managerial positions to achieve our targets for the tier directly below executive level.
- HR challenges**  
 NRWDI has had many challenges since its inception, many due to budgetary constraints. It has, however, made progress against considerable odds through its internal programmes. The key challenge faced during the period under review was

managing the COVID-19 impact on employee engagement and productivity, given that the different levels of lockdown demanded new approaches to working, including work-from-home arrangements.

- Future HR plans/goals**

HR plans the following for the future:

- Ongoing review of HR policies and processes.
- Organisational development interventions.
- Implementation of a change management plan that includes all relevant HR processes for the integration with the Vaalputs operations.
- Implementation of knowledge management practices.

We are excited about the HR initiatives planned for the upcoming financial year. We are passionate about what we do and continuously strive to deliver HR services in new and innovative ways. The HR team is committed to the mission of NRWDI and to driving an HR agenda that supports the organisation in its quest to be an excellent provider of radioactive waste management and disposal services nationally.

## 2. HUMAN RESOURCE OVERSIGHT STATISTICS

### Personnel cost by programme

Programme	Total expenditure for the entity (R'000)	Personnel expenditure (R'000)	Personnel expenditure as a % of total expenditure (R'000)	Number of employees	Average personnel cost per employee (R'000)
Administration	27 952	21 585	47%	20	1 079
Radioactive Waste Disposal Operations	2 422	2 399	5%	2	1 200
Science, Engineering & Technology	4 736	4 710	10%	4	1 178
Radioactive Waste Compliance Management	10 923	7 996	17%	6	1 333
<b>Total</b>	<b>46 033</b>	<b>36 690</b>	<b>80%</b>	<b>32</b>	<b>4 789</b>

### Personnel cost by employment level

Level	Personnel expenditure (R'000)	% of personnel expenditure to total personnel cost (R'000)	Number of employees	Average personnel cost per employee (R'000)
Top management	9 874	29%	5	1 975
Senior management	1 730	5%	1	1 730
Professionally qualified & experienced specialists & middle management	14 112	42%	14	1 008
Skilled technical & academically qualified workers, junior management, supervisors, foremen and superintendents	7 797	23%	10	780
Unskilled and defined decision-making	316	1%	2	158
<b>Total</b>	<b>33 829</b>	<b>100%</b>	<b>32</b>	<b>5 651</b>

## 2. HUMAN RESOURCE OVERSIGHT STATISTICS (continued)

### Training costs

Programme	Personnel expenditure (R'000)	Training expenditure (R'000)	Training expenditure as a % of personnel cost	Number of employees trained	Average training cost per employee (R'000)
Administration	21 585	218	1.0%	10	22
Radioactive Waste Disposal Operations	2 399	0	0.0%	0	0
Science, Engineering & Technology	4 710	17	0.4%	1	17
Radioactive Waste Compliance Management	7 996	107	1.3%	4	27
<b>Total</b>	<b>36 690</b>	<b>342</b>	<b>0.9%</b>	<b>15</b>	<b>23</b>

### Employment and vacancies

Programme/activity/objective	2019/20 number of employees	2020/21 approved posts	2020/21 number of employees	2020/21 vacancies	% of vacancies
Top management	5	6	5	1	17%
Senior management	2	2	1	1	50%
Professionally qualified & experienced specialists and middle management	15	17	14	3	18%
Skilled technical & academically qualified workers, junior management, supervisors, foremen and superintendents	7	11	10	1	9%
Semi-skilled and discretionary decision-making	0	0	0	0	0
Unskilled and defined decision-making	2	2	2	0	0
<b>Total</b>	<b>31</b>	<b>38</b>	<b>32</b>	<b>6</b>	<b>16%</b>

### Employment changes

Salary Band	Employment at beginning of period	Appointments	Terminations	Employment at end of the period
Top management	5	0	0	5
Senior management	1	0	0	1
Professional qualified	14	0	0	14
Skilled	7	3	0	10
Semi-skilled	0	0	0	0
Unskilled	2	0	0	2
<b>Total</b>	<b>29</b>	<b>3</b>	<b>0</b>	<b>32</b>

### Reasons for staff leaving

Reason	Number	% of total no. of staff leaving
Death	0	0
Resignation	0	0
Dismissal	0	0
Retirement	0	0
Ill health	0	0
Expiry of contract	0	0
Other	0	0
<b>Total</b>	<b>0</b>	<b>0</b>

### Labour relations: Misconduct and disciplinary action

Nature of disciplinary action	Number
Verbal warning	0
Written warning	0
Final written warning	0
Dismissal	0

### Employment equity status

Transformation is a business imperative that contributes to the country's transformation goals. NRWDI's employment equity profile is as follows: 78% African, 3.1% Coloured, 9.4% Whites and 9.4% Indian. The gender profile comprises 62.5% females and 37.5% males. The representation of persons with disabilities is 6.25%.

### Staff complement

Group	Number of employees	Percentage
African	25	78.1%
White	3	9.4%
Indian	3	9.4%
Coloured	1	3.1%
<b>Total</b>	<b>32</b>	<b>100%</b>

### Gender split

Group	Number of employees	Percentage
Males	12	37.5%
Females	20	62.5%
<b>Total</b>	<b>32</b>	<b>100%</b>

### Staff with disabilities

DISABLED STAFF			
Male	Female	Total	Percentage of staff
2	0	2	6,25%

### EE status across different job levels.

Levels	FEMALE			
	African	Coloured	Indian	White
Top management	0	0	0	0
Senior management	0	0	0	0
Professional qualified	6	0	2	1
Skilled	9	0	0	0
Semi-skilled	0	0	0	0
Unskilled	2	0	0	0
<b>Total</b>	<b>17</b>	<b>0</b>	<b>2</b>	<b>1</b>

Levels	MALE			
	African	Coloured	Indian	White
Top management	2	1	1	1
Senior management	1	0	0	0
Professional qualified	1	0	0	1
Skilled	4	0	0	0
Semi-skilled	0	0	0	0
Unskilled	0	0	0	0
<b>Total</b>	<b>8</b>	<b>1</b>	<b>1</b>	<b>2</b>

# PART E

## FINANCIAL INFORMATION



# EXTERNAL AUDITOR'S REPORT

## REPORT OF THE AUDITOR-GENERAL TO THE PARLIAMENT ON THE NATIONAL RADIOACTIVE WASTE DISPOSAL INSTITUTE

### REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS

#### OPINION

1. I have audited the financial statements of the National Radioactive Waste Disposal Institute set out on pages 47 to 72, which comprise the statement of financial position as at 31 March 2021, and the statement of financial performance, statement of changes in net assets, statement of cash flows and statement of comparison of budget and actual amounts for the year then ended, as well as the notes to the financial statements, including a summary of significant accounting policies.
2. In my opinion, the financial statements present fairly, in all material respects, the financial position of the National Radioactive Waste Disposal Institute as at 31 March 2021, and its financial performance and cash flows for the year then ended in accordance with the Standards of Generally Recognised Accounting Practice (GRAP) and the requirements of the Public Finance Management Act 1 of 1999 (PFMA).

#### BASIS FOR OPINION

3. I conducted my audit in accordance with the International Standards on Auditing (ISAs). My responsibilities under those standards are further described in the auditor-general's responsibilities for the audit of the financial statements section of this auditor's report.
4. I am independent of the public entity in accordance with sections 290 and 291 of the International Ethics Standards Board for Accountants' *Code of ethics for professional accountants* (IESBA code), parts 1 and 3 of the *International Ethics Standards Board for Accountants' International Code of Ethics for Professional Accountants (including International Independence Standards)* and the ethical requirements that are relevant to my audit in South Africa. I have fulfilled my other ethical responsibilities in accordance with these requirements and the IESBA code.
5. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion.

#### EMPHASIS OF MATTER

6. I draw attention to the matter below. My opinion is not modified in respect of this matter.

#### SUBSEQUENT EVENT

7. I draw attention to note 15 in the financial statements, which deals with events after the reporting period. A formal request for condonation of irregular expenditure was sent to the National Treasury in March 2021. On 28 May 2021, subsequent to year-end, the National Treasury informed the NRWDI that the irregular expenditure amounting to R3 401 382 has been condoned and that irregular expenditure amounting to R5 303 312 was not condoned. The reason for the latter was that at the time of the request, it could not be confirmed if the irregular transactions had derived value for NRWDI.

#### RESPONSIBILITIES OF THE ACCOUNTING AUTHORITY FOR THE FINANCIAL STATEMENTS

8. The Board of Directors, which constitutes the accounting authority, is responsible for the preparation and fair presentation of the financial statements in accordance with the Standards of GRAP and the requirements of the PFMA and for such internal control as the accounting authority determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.
9. In preparing the financial statements, the accounting authority is responsible for assessing the public entity's ability to continue as a going concern, disclosing, as applicable, matters relating to going concern and using the going concern basis of accounting unless the appropriate governance structure either intends to liquidate the public entity or to cease operations, or there is no realistic alternative but to do so.

#### AUDITOR-GENERAL'S RESPONSIBILITIES FOR THE AUDIT OF THE FINANCIAL STATEMENTS

10. My objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes my opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.
11. A further description of my responsibilities for the audit of the financial statements is included in the annexure to this auditor's report.

## REPORT ON THE AUDIT OF THE ANNUAL PERFORMANCE REPORT

### INTRODUCTION AND SCOPE

12. In accordance with the Public Audit Act 25 of 2004 (PAA) and the general notice issued in terms thereof, I have a responsibility to report on the usefulness and reliability of the reported performance information against predetermined objectives for the selected programme presented in the annual performance report. I performed procedures to identify findings but not to gather evidence to express assurance.
13. My procedures address the usefulness and reliability of the reported performance information, which must be based on the public entity's approved performance planning documents. I have not evaluated the completeness and appropriateness of the performance indicators included in the planning documents. My procedures do not examine whether the actions taken by the public entity enabled service delivery. My procedures do not extend to any disclosures or assertions relating to the extent of achievements in the current year or planned performance strategies and information in respect of future periods that may be included as part of the reported performance information. Accordingly, my findings do not extend to these matters.
14. I evaluated the usefulness and reliability of the reported performance information in accordance with the criteria developed from the performance management and reporting framework, as defined in the general notice, for the following selected programme presented in the annual performance report of the public entity for the year ended 31 March 2021:

Programme	Pages in the annual performance report
Programme 2 – Radioactive Waste Disposal Operations	22 – 23

15. I performed procedures to determine whether the reported performance information was properly presented and whether performance was consistent with the approved performance planning documents. I performed further procedures to determine whether the indicators and related targets were measurable and relevant, and assessed the reliability of the reported performance information to determine whether it was valid, accurate and complete.
16. I did not identify any material findings on the usefulness and reliability of the reported performance information for this programme:
- Programme 2 – Radioactive Waste Disposal Operations

### OTHER MATTER

17. I draw attention to the matter below.

### ACHIEVEMENT OF PLANNED TARGETS

18. Refer to the annual performance report on pages 21 to 25 for information on the achievement of planned targets for the year and management's explanations provided for the under-/ overachievement of targets.

### REPORT ON AUDIT OF COMPLIANCE WITH LEGISLATION

19. In accordance with the PAA and the general notice issued in terms thereof, I have a responsibility to report material findings on the public entity's compliance with specific matters in key legislation. I performed procedures to identify findings but not to gather evidence to express assurance.
20. I did not raise material findings on compliance with the specific matters in key legislation set out in the general notice issued in terms of the PAA.

### OTHER INFORMATION

21. The accounting authority is responsible for the other information. The other information comprises the information included in the annual report. The other information does not include the financial statements, the auditor's report thereon and the selected programme presented in the annual performance report that have been specifically reported in this auditor's report.
22. My opinion on the financial statements and findings on the reported performance information and compliance with legislation do not cover the other information and I do not express an audit opinion or any form of assurance conclusion on it.
23. In connection with my audit, my responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements and the selected programme presented in the annual performance report, or my knowledge obtained in the audit, or otherwise appears to be materially misstated.

24. I did not receive the other information prior to the date of this auditor's report. After I receive and read this information, and if I conclude that there is a material misstatement, I am required to communicate the matter to those charged with governance and request that the other information be corrected. If the other information is not corrected, I may have to retract this auditor's report and re-issue an amended report as appropriate. However, if it is corrected this will not be necessary.

### INTERNAL CONTROL DEFICIENCIES

25. I considered internal control relevant to my audit of the financial statements, reported performance information and compliance with applicable legislation; however, my objective was not to express any form of assurance thereon.
26. I did not identify any significant deficiencies in internal control.

Auditor - General

Rustenburg

31 August 2021



**AUDITOR - GENERAL**  
**SOUTH AFRICA**

*Auditing to build public confidence*

# ANNEXURE – AUDITOR GENERAL’S RESPONSIBILITY FOR THE AUDIT

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1. As part of an audit in accordance with the ISAs, I exercise professional judgement and maintain professional scepticism throughout my audit of the financial statements, and the procedures performed on reported performance information for selected programmes and on the public entity’s compliance with respect to the selected subject matters.

## FINANCIAL STATEMENTS

2. In addition to my responsibility for the audit of the financial statements as described in the auditor’s report, I also:
  - identify and assess the risks of material misstatement of the financial statements whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for my opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
  - obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the public entity’s internal control.
  - evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the accounting authority.
  - conclude on the appropriateness of the accounting authority’s use of the going concern basis of accounting in the preparation of the financial statements. I also conclude, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the ability of the National Radioactive Waste Disposal Institute to continue as a going concern. If I conclude that a material uncertainty exists, I am required to draw attention in my auditor’s report to the related disclosures in the financial statements about the material uncertainty or, if such disclosures are inadequate, to modify the opinion on the financial statements. My conclusions are based on the information available to me at the date of the auditor’s report. However, future events or conditions may cause a public entity to cease to continue as a going concern.
  - evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

## COMMUNICATION WITH THOSE CHARGED WITH GOVERNANCE

3. I communicate with the accounting authority regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that I identify during my audit.
4. I also provide the accounting authority with a statement that I have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to have a bearing on my independence and where applicable, action taken to eliminate threats or safeguards applied.

# DIRECTORS' RESPONSIBILITIES AND APPROVAL

The Directors are required, in terms of the National Radioactive Waste Disposal Institute Act, No.53 of 2008 and the PFMA, to maintain adequate accounting records and are responsible for the content and integrity of the annual financial statements and related financial information included in this report.

It is their responsibility to ensure that the annual financial statements fairly present the state of affairs of the entity as at the end of the financial year and the results of its operations and cash flows for the period then ended, in conformity with South African Statements of Generally Recognised Accounting Practice (GRAP). The external auditors are engaged to express an independent opinion on the financial statements. The financial statements fairly present the financial position, financial performance and cash flows as per the requirements of GRAP.

The annual financial statements are prepared in accordance with South African Statements of Generally Recognised Accounting Practice and are based upon appropriate accounting policies consistently applied and supported by reasonable and prudent judgements and estimates.

The act sets standards for internal control aimed at reducing the risk of error or loss in a cost-effective manner. The standards include the proper delegation of responsibilities within a clearly defined framework, effective accounting procedures and adequate segregation of duties to ensure an acceptable level of risk.

These controls are monitored throughout the entity and all employees are required to maintain the highest ethical standards in ensuring the entity's business is conducted in a manner that, in all reasonable circumstances, is above reproach.



**Ms Thandeka Zungu**  
Chairperson  
31 August 2021

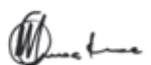
The focus of risk management in the entity is on identifying, assessing, managing and monitoring all known forms of risk across the entity. While operating risk cannot be fully eliminated, the entity endeavours to minimise it by ensuring that appropriate infrastructure, controls, systems and ethical behaviour are applied and managed within predetermined procedures and constraints.

The Directors are of the opinion, based on the information reviewed and explanations given by management, that the system of internal control provides reasonable assurance that the financial records may be relied on for the preparation of the annual financial statements. However, any system of internal financial control can provide only reasonable, and not absolute, assurance against material misstatement or loss.

The Directors have reviewed the entity's cash flow forecast for the year to 31 March 2022 and, in the light of this review and the current financial position, they are satisfied that the entity has or has access to adequate resources to continue in operational existence for the foreseeable future.

The external auditors are responsible for independently reviewing and reporting on the NRWDI's annual financial statements. The annual financial statements have been examined by the NRWDI's external auditors and their report is presented on pages 41 to 44.

The annual financial statements as set out on pages 47 to 72 were approved by the Board on 31 August 2021 and were signed on their behalf by:



**Mr Mogwera Khoathane**  
Deputy Chairperson  
31 August 2021

# DIRECTORS' REPORT

The Directors present their report for the year ended 31 March 2021.

## 1. REVIEW OF ACTIVITIES

### MAIN BUSINESS AND OPERATIONS

The NRWDI was formed in terms of the National Radioactive Waste Disposal Institute Act, No. 53 of 2008 and commenced operations on 1 April 2014.

The annual financial statements have been prepared in accordance with the South African Standards of Generally Recognised Accounting Practice (SA Standards of GRAP), the requirements of the National Radioactive Waste Disposal Institute Act, the Public Finance Management Act (PFMA) and relevant Treasury Regulations. The operating results and statement of financial position of the entity are fully set out in the attached financial statements and do not in our opinion require any further comment.

## 2. OPERATIONALISATION OF THE ENTITY

The Directors have developed a plan to operationalise the organisation, key amongst the matters attended to are the formation of the Board statutory committees, the appointment of the key staff members, the establishment of plan to transfer the key operational activities from Necsa to the entity and the preparation of the financing model for the entity.

## 3. EVENTS AFTER REPORTING DATE

The Directors are not aware of any matter or circumstance arising since the end of the financial year to the date of this report that could have a material effect of the financial position of the entity.

## 4. DIRECTORS

The Directors of the entity during the year and to the date of this report are as follows:

Directors	Date of Appointment	End of Term
Ms Thandeka Zungu (Chairperson)	10 August 2020	10 August 2023
Mr Mogwera Khoathane (Deputy Chairperson)	10 August 2020	10 August 2023
Ms Leanda – Marsha Mtshali	10 August 2020	10 August 2023
Dr Kgaugelo Chiloane	10 August 2020	10 August 2023
Dr Cornelius Ruiters	10 August 2020	10 August 2023
Ms Lerato Makgae (DMRE representative)	01 February 2017	10 August 2023
Mr Alan Carolissen (Acting CEO) <sup>◊</sup>	01 April 2018	ex-officio
Mr Justin Daniel (CFO) <sup>◊</sup>	01 October 2016	ex-officio

<sup>◊</sup> Ex-Officio Board Member, whose term of Directorship is linked to the term of their Executive position.

## 5. AUDITORS

Auditor General of South Africa

## 6. MATERIALITY AND SIGNIFICANT FRAMEWORK

A materiality and significant framework has been developed for reporting losses through criminal conduct and irregular, fruitless and wasteful expenditure, as well as for significant transactions envisaged per section 54(2) of the PFMA that require ministerial approval. The framework has been formally approved by the Board.

## 7. GOING CONCERN

The Directors believe that the entity has adequate financial resources to continue in operation for the foreseeable future and accordingly the annual financial statements have been prepared on a going concern basis. The Directors have satisfied themselves that the entity is in a sound financial position and that it has access to sufficient borrowing facilities to meet its foreseeable cash requirements. The Directors are not aware of any new material changes that may adversely impact the entity. The Directors are also not aware of any material non-compliance with statutory or regulatory requirements or of any pending changes to legislation which may affect the entity.



**Ms Thandeka Zungu**  
Chairperson  
31 August 2021



**Mr Mogwera Khoathane**  
Deputy Chairperson  
31 August 2021

# STATEMENT OF FINANCIAL POSITION

AS AT 31 MARCH 2021

	Note(s)	2021 R	2020 R
<b>Assets</b>			
<b>Non-current Assets</b>			
Property, plant and equipment	4	2,642,619	1,985,130
Intangible assets	5	849,385	958,823
		3,492,004	2,943,953
<b>Current Assets</b>			
Receivables from exchange transactions	7	250,841	370,960
Cash and cash equivalents	8	28,789,178	25,961,483
		29,040,019	26,332,443
<b>Total Assets</b>		<b>32,532,023</b>	<b>29,276,396</b>
<b>Liabilities</b>			
<b>Non-current Liabilities</b>			
		0	0
<b>Current Liabilities</b>			
Payables from exchange transactions	9	1,515,717	6,203,779
Provisions	10	7,544,620	4,149,074
		9,060,337	10,352,853
<b>Total Liabilities</b>		<b>9,060,337</b>	<b>10,352,853</b>
<b>Net Assets</b>		<b>23,471,686</b>	<b>18,923,543</b>
Accumulated surplus		23,471,685	18,923,543

# STATEMENT OF FINANCIAL PERFORMANCE

FOR THE YEAR ENDED 31 MARCH 2021

	Note(s)	2021 R	2020 R
<b>Revenue from non-exchange transactions</b>			
Government grants	11	49,397,000	47,499,000
<b>Revenue exchange transactions</b>			
Other income	6	1,184,171	2,519,566
<b>Total revenue</b>		<b>50,581,171</b>	<b>50,018,566</b>
<b>Expenditure</b>			
Compensation of employees	18	36,690,391	33,573,969
Depreciation / amortisation	4/5	1,003,864	703,097
Lease rentals on operating lease	12	850,395	817,098
Loss on disposal of assets		8,963	0
Goods and services	19	7,479,416	9,395,770
<b>Total expenses</b>		<b>46,033,029</b>	<b>44,489,934</b>
<b>Surplus/(deficit) for the year</b>		<b>4,548,142</b>	<b>5,528,632</b>

# STATEMENT OF CHANGES IN NET ASSETS

FOR THE YEAR ENDED 31 MARCH 2021

	Accumulated surplus R	Total Net Assets R
Balance at 1 April 2019	13,394,911	13,394,911
<i>Changes in net assets</i>		
Surplus for the year	5,528,632	5,528,632
Total changes	5,528,632	5,528,632
<b>Balance at 31 March 2020</b>	<b>18,923,543</b>	<b>18,923,543</b>
Balance at 1 April 2020	18,923,543	18,923,543
<i>Changes in net assets</i>		
Surplus for the year	4,548,142	4,548,142
Total changes	4,548,142	4,548,142
<b>Balance at 31 March 2021</b>	<b>23,471,685</b>	<b>23,471,685</b>

# STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 31 MARCH 2021

	Note(s)	2021 R	2020 R
<b>Cash flows from operating activities</b>			
<b>Receipts</b>			
Government grant	11	49,397,000	47,499,000
Other income	6	1,137,449	2,513,374
		50,534,449	50,012,374
<b>Payments</b>			
Compensation of employees	18	33,434,138	33,279,232
Suppliers and other service providers	19/16	12,711,238	10,433,256
		46,145,376	43,712,488
<b>Net cash flows from operating activities</b>	23	<b>4,389,073</b>	<b>6,299,886</b>
<b>Cash flows from investing activities</b>			
Purchase of property, plant and equipment	4	(1,326,099)	(308,947)
Purchase of intangible assets	5	(235,279)	(183,926)
<b>Net cash flows from investing activities</b>		<b>(1,561,378)</b>	<b>(492,873)</b>
<b>Net cash flows from financing activities</b>		<b>0</b>	<b>0</b>
Net increase / (decrease) in cash equivalents		2,827,695	5,807,013
Cash and cash equivalents at beginning of the year		25,961,483	20,154,470
<b>Cash and cash equivalents at end of the year</b>	8	<b>28,789,178</b>	<b>25,961,483</b>

# STATEMENT OF COMPARISON OF BUDGET AND ACTUAL AMOUNTS

FOR THE YEAR ENDED 31 MARCH 2021

BUDGET ON ACCRUAL BASIS

	Notes	Approved budget R	Final budget R	Actual amounts on comparable basis R	Difference between final budget and actual R
<b>Revenue</b>					
Government grants	11	49,397,000	49,397,000	49,397,000	0
Commission Received		0	0	989	989
Interest received	24.1	2,094,000	2,094,000	1,183,182	(910,818)
<b>Total Revenue</b>		<b>51,491,000</b>	<b>51,491,000</b>	<b>50,581,171</b>	<b>(909,829)</b>
<b>Expenditure</b>					
Personnel Expenses	24.2	42,168,206	42,168,206	36,690,391	5,477,815
Personnel related expenses	24.3	1,490,000	1,490,000	572,473	917,527
Consultant fees	24.4	200,000	200,000	75,810	124,190
Travel and subsistence	24.5	1,279,000	1,279,000	62,453	1,216,547
Lease rentals on operating lease	24.6	860,000	860,000	850,395	9,605
Directors remuneration	24.7	324,500	324,500	436,301	(111,801)
General expenses*	24.8	4,334,794	4,334,794	3,631,389	703,405
Operating material	24.9	373,000	373,000	2,692,400	(2,319,400)
Repairs and maintenance		28,000	28,000	17,553	10,447
Depreciation/amortisation	24.10	433,500	433,500	1,003,864	(570,364)
<b>Total expenditure</b>		<b>51,491,000</b>	<b>51,491,000</b>	<b>46,033,029</b>	<b>5,457,971</b>
<b>Surplus/(deficit) for the year</b>		<b>0</b>	<b>0</b>	<b>4,548,142</b>	<b>4,548,142</b>
<b>Actual amount on comparable basis as presented in the budget and actual comparative statement</b>		<b>0</b>	<b>0</b>	<b>4,548,142</b>	<b>4,548,142</b>

\* General Expenses includes contracted-out services, audit fees, consultant fees, legal costs, telecommunication costs, branding material, insurance, IT costs, printing and stationery, external printing, advertising and recruitment, membership fees, bank charges, entertainment costs, staff refreshments, events, computer services, workshops and conferences, postage and courier and consumable materials.

# NOTES TO THE ANNUAL FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2021

## ACCOUNTING POLICIES

### 1. GENERAL INFORMATION

The annual financial statements have been prepared in accordance with the effective South African Standards of Generally Recognised Accounting Practice (SA Standards of GRAP) including any interpretations, guidelines and directives issued by the Accounting Standards Board in accordance with Section 91(1) of the Public Finance Management Act (PFMA) (Act no.1 of 1999).

### 2. BASIS OF PREPARATION AND SIGNIFICANT JUDGEMENTS AND ESTIMATES OF UNCERTAINTY

The annual financial statements were prepared on the accrual basis of accounting (with the exception of the Cash flow Statement) and incorporates the historical cost convention as the basis of measurement, except where specified otherwise.

Assets, liabilities, revenues and expenses were not offset, except where offsetting is either required or permitted by a Standard of GRAP.

The annual financial statements have been prepared on the going concern basis. All accounting policies have been consistently applied to all the periods presented. The preparation of financial statements in conformity with SA Standards of GRAP requires the use of certain critical financial accounting estimates. It also requires management to exercise its judgement in the process of applying the entity's accounting policies.

In preparing the annual financial statements, management is required to make estimates and assumptions that affect the amounts presented in the annual financial statements and related disclosures. Use of available information and the application of judgement is inherent in the formation of estimates. Actual results in the future could differ from these estimates which may be material to the annual financial statements. The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

The estimates and assumptions on provisions and receivables are referenced in note 3.10 and 3.11 respectively.

### 3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

#### 3.1 PROPERTY, PLANT AND EQUIPMENT

Property, plant and equipment is initially measured at cost. Costs include costs incurred initially to acquire or construct an item of property, plant and equipment and costs incurred subsequently to add to, replace part of, or service it. If a replacement cost is recognised in the carrying amount of an item of property, plant and equipment, the carrying amount of the replaced part is derecognised.

Management expects to scrap the assets at the end of their useful lives and therefore the residual values are estimated to be negligible. Useful lives and residual values are assessed when there is an indication that there is a change in useful life.

The carrying amount of an item of property, plant and equipment shall be derecognised on disposal, or when no future economic benefits or service potential are expected from its use or disposal. The disposal of an item of property, plant and equipment may occur in a variety of ways e.g. by sale, by entering into a finance lease or by donation.

Property, plant and equipment are depreciated on the straight-line basis over their expected useful lives to their estimated residual value.

Property, plant and equipment is carried at cost less accumulated depreciation and any impairment losses. The useful lives of items of property, plant and equipment have been assessed as follows:

- Computer equipment 5 years
- Office equipment & Furniture and fittings 5 - 10 years
- Machinery & equipment 5 - 10 years
- Motor vehicles 5 - 10 years

The gain or loss arising from the derecognition of an item of property, plant and equipment shall be included in surplus or deficit when the item is derecognised.

Repairs and maintenance not deemed to enhance the economic benefits or service potential of items of property, plant and equipment are expensed as incurred. The gain or loss arising from the derecognition of an item of property, plant and equipment is determined as the difference between the net disposal proceeds, if any, and the carrying amount of the item.

#### 3.2 INTANGIBLE ASSETS

An intangible asset is recognised when it is probable that the expected future economic benefits or service potential that are attributable to the asset will flow to the entity; and the cost or fair value of the asset can be measured reliably.

# NOTES TO THE ANNUAL FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2021

## 3.2 INTANGIBLES ASSETS (continued)

The entity assesses the probability of expected future economic benefits or service potential using reasonable and supportable assumptions that represent management's best estimate of the set of economic conditions that will exist over the useful life of the asset. Where an intangible asset is acquired through a non-exchange transaction, its initial cost at the date of acquisition is measured at its fair value as at that date.

An intangible asset is regarded as having an indefinite useful life when, based on all relevant factors, there is no foreseeable limit to the period over which the asset is expected to generate net cash inflows or service potential. Amortisation is not provided for these intangible assets, but they are tested for impairment annually and whenever there is an indication that the asset may be impaired. For all other intangible assets, amortisation is provided on a straight-line basis over their useful life. The amortisation period and the amortisation method for intangible assets are reviewed at each reporting date.

After initial recognition, an intangible asset shall be carried at its cost less any accumulated amortisation and any accumulated impairment losses.

Reassessing the useful life of an intangible asset with a finite useful life after it was classified as indefinite is an indicator that the asset may be impaired. As a result, the asset is tested for impairment and the remaining carrying amount is amortised over its useful life.

Amortisation is provided to write down the intangible assets, on a straight-line basis, to their residual values as follows:

- Computer software and licences 5 years

An intangible asset shall be derecognised on disposal (including disposal through a non-exchange transaction); or when no future economic benefits or service potential are expected from its use or disposal. The gain or loss arising from the derecognition of an intangible asset shall be included in surplus or deficit when the asset is derecognised.

## 3.3 IMPAIRMENT

Cash-generating assets are assets used with the objective of generating a commercial return. Commercial return means that positive cash flows are expected to be significantly higher than the cost of the asset.

Non-cash-generating assets are assets other than cash-generating assets which are used to deliver services. The entity currently has only non-cash generating assets.

An asset is impaired when the carrying amount of the asset exceeds its recoverable service amount.

In assessing whether there is any indication that an asset may be impaired, the entity shall consider, as a minimum, the following indications:

- Physical damage of assets
- Excessive maintenance required on an asset.
- Intended use of an asset changed and now the assets are not being used
- Performance of the asset has reduced beyond what is expected based on the age of asset or group of assets
- Acts of God
- Decision to halt the construction of the asset before it is complete or in a usable condition.
- Decrease in the request for a service although the asset can still perform at the level required
- Changes in technology with an adverse effect on the use of asset
- Significant changes with an adverse effect on the entity in the government policy environment

A change in a parameter such as demand for the service, extent or manner of use, legal environment or government policy environment would indicate impairment only if such a change was significant and had or was anticipated to have a long-term adverse effect.

An impairment loss is recognised immediately in surplus or deficit. Any impairment loss of a revalued non-cash-generating asset is treated as a revaluation decrease.

When the amount estimated for an impairment loss is greater than the carrying amount of the non-cash-generating asset to which it relates, the entity recognises a liability only to the extent that is a requirement in the Standards of GRAP.

## 3.4 LEASES

Leases are classified as finance leases whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessee. All other leases are classified as operating leases.

### OPERATING LEASES – LESSEE

Lease payments under an operating lease shall be recognised as an expense in the statement of financial performance on a straight-line basis over the lease term unless another systematic basis is more representative.

# NOTES TO THE ANNUAL FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2021

## 3.5 COMMITMENTS

Commitments represent the orders issued to the suppliers that have been approved, but where no delivery has taken place as at year end. Commitments are not recognised in the statement of financial position as a liability or asset but are included in the disclosure notes.

## 3.6 TAX EXPENSES

No provision has been made for taxation, as the entity is exempt from income tax in terms of Section 10 of the Income Tax Act, 1962 (Act No. 58 of 1962). The National Radioactive Waste Disposal Institute is a Schedule 3A entity and therefore VAT exempted.

## 3.7 REVENUE RECOGNITION

Revenue is recognised when it is probable that future economic benefits or service potential will flow to the entity and these benefits can be measured reliably. Revenue is measured at fair value of the consideration received or receivable and represents the amounts receivable for services provided in the normal course of business.

### REVENUE FROM EXCHANGE TRANSACTIONS

An exchange transaction is one in which the entity receives assets or services, or has liabilities extinguished and directly gives approximate equal value primarily in the form of goods, services or use of assets or services to the other party in exchange.

Interest income is accrued on a time basis, by reference to the principal amount outstanding and at the effective interest rate applicable.

### REVENUE FROM NON-EXCHANGE TRANSACTIONS

Revenue from non-exchange transactions is comprised of government grants. Conditions on transferred assets are stipulations that specify that the future economic benefits or service potential embodied in the asset is required to be consumed by the recipient as specified or future economic benefits or service potential must be returned to the transferor.

Restrictions on transferred assets are stipulations that limit or direct the purposes for which a transferred asset may be used, but do not specify that future economic benefits or service potential is required to be returned to the transferor if not deployed as specified.

### RECOGNITION

An inflow of resources from a non-exchange transaction recognised as an asset is recognised as revenue, except to the extent that a liability is also recognised in respect of the same inflow.

As the entity satisfies a present obligation recognised as a liability in respect of an inflow of resources from a non-exchange transaction recognised as an asset, it reduces the carrying amount of the liability recognised and recognises an amount of revenue equal to that reduction. Revenue received from conditional grants, donations and funding are recognised as revenue to the extent that the entity has complied with the conditions embodied in the agreement. To the extent that the conditions have not been met, a liability is recognised.

### MEASUREMENT

Revenue from a non-exchange transaction is measured at the amount of the increase in net assets recognised by the entity. When, as a result of a non-exchange transaction, the entity recognises an asset, it also recognises revenue equivalent to the amount of the asset measured at its fair value as at the date of acquisition, unless it is also required to recognize a liability. Where a liability is required to be recognised it will be measured as the best estimate of the amount required to settle the obligation at the reporting date.

When a liability is subsequently reduced, because the event occurs or a condition is satisfied, the amount of the reduction in the liability is recognised as revenue. In these financial statements, surplus is used instead of profit as the entity is not profit driven, yet could generate surplus revenue over costs.

## 3.8 FRUITLESS AND WASTEFUL EXPENDITURE

Fruitless and wasteful expenditure means expenditure incurred in vain and could have been avoided had reasonable care been exercised. Fruitless and wasteful expenditure is accounted for as expenditure in the statement of financial performance and when recovered, it is subsequently accounted for as revenue in the statement of financial performance.

## 3.9 IRREGULAR EXPENDITURE

Irregular expenditure means expenditure incurred in contravention of, or not in accordance with a requirement of any applicable legislation, including:

- The Public Finance Management Act (PFMA), Act 1 of 1999 (as amended by Act 29 of 1999);
- The State Tender Board Act, 1968 (Act No.86 of 1968); or any regulation made in terms of the Act;
- The National Radioactive Waste Disposal Institute Act, No. 53 of 2008.

# NOTES TO THE ANNUAL FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2021

## 3.9 IRREGULAR EXPENDITURE (continued)

All irregular, fruitless or wasteful expenditure is charged against surplus or deficit in the period it was incurred. Irregular expenditure that is not condoned is recoverable in line with the outcome of the investigation. Irregular expenditure is recognised as an expense in the statement of financial performance and a receivable is raised in the statement of financial position when the expenditure is recoverable. Irregular expenditure disclosure is done in line with paragraph 77 and 78 of the Irregular Expenditure Framework as issued by National Treasury.

## 3.10 PROVISIONS AND CONTINGENCIES

### PROVISIONS

Provisions are recognised when the entity has a present obligation as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the obligation. The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at the end of the reporting period, taking into account the risks and uncertainties surrounding the obligation. When a provision is measured using the cash flows estimated to settle the present obligation, its carrying amount is the present value of those cash flows (where the effect of the time value of money is material).

Where some or all of the expenditure required to settle a provision is expected to be reimbursed by another party, the reimbursement shall be recognised when, and only when, it is virtually certain that reimbursement will be received if the entity settles the obligation. The reimbursement shall be treated as a separate asset. The amount recognised for the reimbursement shall not exceed the amount of the provision.

Provisions are reviewed at each reporting date and adjusted to reflect the current best estimate. If it is no longer probable that an outflow of resources embodying economic benefits or service potential will be required to settle the obligation, the provision shall be reversed.

All the provisions of the entity are short-term in nature and the effect of discounting is immaterial. Provisions are made for outstanding leave entitlements in respect of leave days carried at the end of the financial year as well as performance incentives, which calculation is based on an average of the range of qualifying incentive percentages.

### CONTINGENT LIABILITY

A possible obligation that arises from past events and whose existence will be confirmed by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the entity.

A present obligation that arises from past events but is not recognised because it is not probable that an outflow of resources embodying economic benefits or service potential will be required to settle the obligation or the amount of the obligation cannot be measured with sufficient reliability. Contingent liabilities are not recognised but disclosed in the notes to the annual financial statements.

### CONTINGENT ASSET

A contingent asset is a possible asset that arises from past events and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly in the control of the entity. Contingent assets are not recognised but disclosed in the notes to the annual financial statements.

## 3.11 FINANCIAL INSTRUMENTS

### INITIAL RECOGNITION AND MEASUREMENT

Financial instruments are recognised when the entity becomes a party to the contractual provisions of the instruments and are initially measured at its fair value plus, in the case of a financial asset or a financial liability not subsequently measured at fair value, transaction costs that are directly attributable to the acquisition or issue of the financial asset or financial liability.

### DE-RECOGNITION

Financial assets are de-recognised when the contractual rights to receive cash flows have been transferred or have expired or when substantially all the risks and rewards of ownership have passed. All other assets are derecognised on disposal or when no future economic benefits are expected from their use.

Financial liabilities are de-recognised when the relevant obligation has either been discharged or cancelled or has expired.

### SUBSEQUENT MEASUREMENT

Subsequent to initial recognition financial assets and financial liabilities are measured at amortised cost, using the effective interest method.

# NOTES TO THE ANNUAL FINANCIAL STATEMENTS

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FOR THE YEAR ENDED 31 MARCH 2021

## 3.11 FINANCIAL INSTRUMENTS (continued)

### EFFECTIVE INTEREST METHOD

The effective interest method is a method of calculating the amortised cost of a debt instrument and of allocating interest income over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash receipts (including all fees and points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the debt instrument, or, where appropriate, a shorter period, to the net carrying amount on initial recognition.

Interest income is recognised on an effective interest basis for debt instruments other than those financial assets classified as at Fair value through surplus or deficit.

### RECEIVABLES FROM EXCHANGE TRANSACTIONS

Trade receivables are measured at initial recognition at fair value and are subsequently measured at amortised cost using the effective interest rate method. Appropriate allowances for estimated irrecoverable amounts are recognized in surplus or deficit when there is objective evidence that the asset is impaired. Significant financial difficulties of the debtor, probability that the debtor will enter bankruptcy or financial reorganization, and default or delinquency in payments (more than 30 days overdue) are considered indicators that the trade receivable is impaired. The allowance recognized is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows discounted at the effective interest rate computed at initial recognition.

### PAYABLES FROM EXCHANGE TRANSACTIONS

Trade payables are initially measured at fair value, and is subsequently measured at amortised cost, using the effective interest rate method.

## 3.12 BUDGET INFORMATION

The entity is currently subject to budgetary limits in the form of appropriations or budget authorizations from National Treasury via the Department of Mineral Resources and Energy. The approved budget is prepared on an accrual basis and presented by economic classification linked to performance outcome objectives.

The approved budget covers the one fiscal period, from 01 April to 31 March the following year. The annual financial statements and the budget are on the same basis of accounting therefore a comparison with the budgeted amounts for the reporting period have been included in the Statement of comparison of budget and actual amounts.

## 3.13 RELATED PARTIES

Parties are considered to be related if one party has the ability to control the other party or to exercise significant influence or joint control over the other party in making financial and operational decisions.

A related party transaction is a transfer of resources, services or obligations between related parties, regardless of whether a price is charged.

Management personnel are those persons having authority and responsibility for planning, directing and controlling the activities of the entity directly or indirectly.

Only transactions not within the normal supplier and/or client/recipient relationship on terms and conditions no more or less favourable than those which it is reasonable to expect the entity to have adopted if dealing with that individual entity or person in the same circumstances; and where terms and conditions not within the normal operating parameters established by the reporting entity's legal mandate are disclosed.

## 3.14 EMPLOYEE BENEFITS

Employee benefits include monthly salaries, leave entitlements, performance bonuses, and post-retirement benefits.

### LEAVE PAY

Provision for employee entitlement to annual leave represents the present obligation that NRWDI has as a result of employees' services provided up to the reporting date. The provision is calculated using salary rates effective at the reporting date.

### PERFORMANCE BONUSES

The provision for performance bonuses represents the obligation to reward performance based on the performance incentive arrangements in place for services rendered up to the reporting date. The provision is the best estimate of performance bonuses payable in accordance with the rules of the arrangements at the reporting date and using past history.

# NOTES TO THE ANNUAL FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2021

## 3.14 EMPLOYEE BENEFITS (continued)

### POST-RETIREMENT EMPLOYEE BENEFITS

NRWDI contributes to a defined retirement contribution fund on behalf of its employees and is not exposed to any actuarial or investment risk of the fund. As the contributions made are those of the employees from guaranteed remuneration, the contributions paid are expensed as remuneration.

## 3.15 NEW STANDARDS AND INTERPRETATIONS

### 3.15.1 STANDARDS AND INTERPRETATIONS ISSUED, BUT NOT YET EFFECTIVE

The entity has not applied the following standards and interpretations, which have been published and are mandatory for the entity's accounting periods beginning on or after 01 April 2021 or later periods:

Standard/ Interpretation:	Effective date: Years beginning on or after	Expected impact
Amendments to GRAP 1: Presentation of Financial Statements	01 April 2023	Unlikely there will be a material impact
GRAP 104 (amended): Financial Instruments	01 April 2025	Unlikely there will be a material impact
Directive 14: The application of Standards of GRAP by Public Entities that apply IFRS® Standards	01 April 2021	Not applicable
GRAP 25 (amended): Employee Benefits	No effective date	Unlikely there will be a material impact

# NOTES TO THE ANNUAL FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2021

## 4. PROPERTY, PLANT AND EQUIPMENT

	2021			2020		
	Cost R	Accumulated depreciation R	Carrying value R	Cost R	Accumulated depreciation R	Carrying value R
<b>Owned assets</b>						
Machinery & equipment	12,015	(8,188)	3,827	12,015	(5,785)	6,229
Office equipment, furniture & fittings	1,531,366	(673,517)	857,849	1,525,248	(510,337)	1,014,911
Computer equipment	1,911,367	(942,606)	968,761	1,582,712	(618,723)	963,990
Motor Vehicles	955,508	(143,326)	812,182	0	0	0
	<b>4,410,256</b>	<b>(1,767,637)</b>	<b>2,642,619</b>	<b>3,119,975</b>	<b>(1,134,845)</b>	<b>1,985,130</b>

### RECONCILIATION OF PROPERTY, PLANT AND EQUIPMENT:

	2021				
	Carrying value at beginning of year R	Additions R	Disposals R	Depreciation R	Carrying value at end of year R
<b>Owned assets</b>					
Machinery & equipment	6,229	0	0	(2,402)	3,827
Office equipment, furniture & fittings	1,014,911	6,118	0	(163,180)	857,849
Computer equipment	963,990	364,473	(9,463)	(350,239)	968,761
Motor Vehicles	0	955,508	0	(143,326)	812,182
	<b>1,985,130</b>	<b>1,326,099</b>	<b>(9,463)</b>	<b>(659,147)</b>	<b>2,642,619</b>

	2020				
	Carrying value at beginning of year R	Additions R	Disposals R	Depreciation R	Carrying value at end of year R
<b>Owned assets</b>					
Machinery & equipment	8,632	0	0	(2,403)	6,229
Office equipment, furniture & fittings	1,153,023	22,511	0	(160,623)	1,014,911
Computer equipment	940,160	286,436	0	(262,606)	963,990
	<b>2,101,815</b>	<b>308,947</b>	<b>0</b>	<b>(425,632)</b>	<b>1,985,130</b>

# NOTES TO THE ANNUAL FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2021

## 5. INTANGIBLE ASSETS

	2021			2020		
	Cost R	Accumulated amortisation R	Carrying value R	Cost R	Accumulated amortisation R	Carrying value R
Software	700,128	(309,563)	<b>390,565</b>	464,849	(175,424)	289,425
Licences	922,962	(464,142)	<b>458,820</b>	922,962	(253,564)	669,398
	<b>1,623,090</b>	<b>(773,705)</b>	<b>849,385</b>	<b>1,387,811</b>	<b>(428,988)</b>	<b>958,823</b>

### RECONCILIATION OF INTANGIBLE ASSETS:

	2021			
	Carrying value at beginning of year R	Additions R	Amortisation R	Carrying value at end of year R
Assets: Software	289,425	235,279	(134,139)	390,565
Assets: Licences	669,398	0	(210,578)	458,820
	<b>958,823</b>	<b>235,279</b>	<b>(344,717)</b>	<b>849,385</b>

	2020			
	Carrying value at beginning of year R	Additions R	Amortisation R	Carrying value at end of year R
Assets: Software	416,016	0	(126,592)	289,424
Assets: Licences	636,345	183,926	(150,872)	669,399
	<b>1,052,361</b>	<b>183,926</b>	<b>(277,464)</b>	<b>958,823</b>

## 6. OTHER INCOME

	2021 R	2020 R
Interest received*	1,183,182	2,518,541
Commission received**	989	1,025
	<b>1,184,171</b>	<b>2,519,566</b>

\* The current account generated interest of R1,183m for the year under review

\*\* Commission is the admin fee received in lieu of membership payments to organized labour

## 7. RECEIVABLES FROM EXCHANGE TRANSACTIONS

Trade receivables	5,111,947	5,111,947
Deposits	141,571	141,571
Prepayments	47,930	121,327
Other receivables	61,340	108,062
Sub-total	5,362,788	5,482,907
Less: Provision for impairment	(5,111,947)	(5,111,947)
<b>Total</b>	<b>250,841</b>	<b>370,960</b>

# NOTES TO THE ANNUAL FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2021

## 7. RECEIVABLES FROM EXCHANGE TRANSACTIONS (continued)

	2021 R	2020 R
As of 31 March 2017, trade and other receivables of R5,111,947 in respect of waste disposal fees was past due and provided for possible impairment. This amount was fully provided for due to the uncertainty of its recoverability. The matter is still in progress as at the end of the financial year under review.		
<b>RECONCILIATION OF PROVISION FOR IMPAIRMENT OF TRADE RECEIVABLES</b>		
Opening balance	5,111,947	5,131,603
Provision for impairment	0	0
Written-off as uncollectable	0	(19,656)
<b>Closing Balance</b>	<b>5,111,947</b>	<b>5,111,947</b>
<b>8. CASH AND CASH EQUIVALENTS</b>		
Cash and cash equivalents consist of:		
Cash on hand	1,421	4,357
Call account	5,344	5,144
Petty cash account	5,000	5,000
Current account	28,777,413	25,946,982
	<b>28,789,178</b>	<b>25,961,483</b>

## 9. PAYABLES FROM EXCHANGE TRANSACTIONS

	2021	2020
Trade payables	422,809	4,801,691
Trade payable accruals	334,275	504,160
Employee benefit accruals	758,633	897,928
	<b>1,515,717</b>	<b>6,203,779</b>
Creditors are paid within 30 days of receipt of invoice.		
The ageing of trade and other payables is as follows:		
<b>Trade payables</b>		
Current	422,809	226,951
1 month	0	0
3 months and older	0	4,574,740
	<b>422,809</b>	<b>4,801,691</b>
<b>Trade payable accruals</b>		
Current	334,275	504,160
	<b>334,275</b>	<b>504,160</b>
<b>Employee benefit accruals</b>		
Current	104,146	605,103
1 month	84,780	97,608
3 months and older	569,707	195,217
	<b>758,633</b>	<b>897,928</b>

# NOTES TO THE ANNUAL FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2021

## 10. PROVISIONS

	2021	2020
Leave provision	1,809,024	1,270,480
Incentive bonus provision	5,735,596	2,878,594
	<b>7,544,620</b>	<b>4,149,074</b>

### RECONCILIATION OF PROVISIONS – 2021

	Opening balance R	Additions R	Utilised during the year R	Total R
Annual leave	1,270,480	2,958,576	(2,420,032)	1,809,024
Incentive bonus provision	2,878,594	2,857,002	0	5,735,596
	<b>4,149,074</b>	<b>5,815,578</b>	<b>(2,420,032)</b>	<b>7,544,620</b>

#### Provision for annual leave

The leave provision represents management's best estimate of the entity's liability for leave based on the NRWDI approved leave policy. Leave provision represents the amount due to employees for unutilised leave days accrued for services rendered to the NRWDI as of 31 March 2021.

#### Performance bonus

Performance bonus represents management's best estimate of bonus potentially payable to qualifying NRWDI employees who signed the performance agreement with the NRWDI for financial years ending 31 March 2020 and 31 March 2021. Performance target is set by the Board at the beginning of each financial year, and employees' performance scores are linked to the overall performance of the NRWDI. Management has reasonably provided for a bonus in at an average individual pay out rate of 9% (2021) and 9.5% (2020) of total cost to company. The payment of bonus is discretionary in terms of the NRWDI policy and is only due and payable after declaration and approval by the Board.

The payment of the 2020 performance bonus was delayed as a result of the 2020 annual report being finalised and tabled in Parliament in November 2020 only. This was due to the COVID-19 lockdown. The request is currently still receiving consideration of the HR-SEC for recommendation to the Board.

## 11. GOVERNMENT GRANTS

	2021 R	2020 R
<b>Unconditional government grants</b>	49,397,000	47,499,000
The funds of the entity consist of money appropriated by Parliament through National Treasury.		

# NOTES TO THE ANNUAL FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2021

## 12. OPERATING SURPLUS

	2021	2020
Operating surplus is arrived at after taking into account the following items:		
<b>Depreciation and amortisation</b>		
<i>Owned assets</i>		
Office equipment, furniture & fittings	163,180	160,623
Computer equipment	350,239	262,607
Machinery & equipment	2,402	2,403
Motor vehicles	143,326	0
Software	134,139	126,592
Licences	210,578	150,872
	<b>1,003,864</b>	<b>703,097</b>
<b>Employee costs</b>	<b>36,690,391</b>	<b>33,573,969</b>
<b>Operating lease charges</b>		
Premises	850,395	817,098

## 13. DIRECTORS' EMOLUMENTS

	2021			
	*Running Cost R	Company Contribution R	Remuneration R	Total R
<b>Non-executive</b>				
Dr Kgaugelo Chiloane	2,273	0	86,427	88,700
Mr Mogwera Khoathane	3,217	0	65,883	69,100
Dr Cornelius Ruiters	1,153	0	59,538	60,691
Ms Leanda-Marsha Mtshali	1,928	0	77,346	79,274
Ms Thandeka Zungu	5,037	0	147,107	152,144
	<b>13,608</b>	<b>0</b>	<b>436,301</b>	<b>449,909</b>

# NOTES TO THE ANNUAL FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2021

## 13. DIRECTORS' EMOLUMENTS (continued)

	2020			
	*Running Cost R	Company Contribution R	Remuneration R	Total R
<b>Non-executive</b>				
Non-executive				
Mr Tshepo Mofokeng (Chairperson)	3,461	418	93,474	97,353
Mr Lebohang Sam Moleko	5,657	0	10,476	16,133
	9,117	418	103,950	113,486
<b>Committee members</b>				
Prof Johan Malherbe	0	0	15,714	15,714
Ms Thandeka Zungu	10,688	0	23,571	34,259
	10,688	0	39,285	49,973
<b>Total</b>	<b>19,805</b>	<b>418</b>	<b>143,235</b>	<b>163,459</b>

\* Running cost are disbursements which forms part of the total Directors' emoluments, is excluded from Director's remuneration and is disclosed under travel and subsistence in goods and services.

The term of the committee members ended on 31 January 2020. There were no committee members for the 2021 financial year.

## 14. KEY MANAGEMENT PERSONNEL

	2021					
	Defined contribution fund R	*Other company contributions R	Allowance R	Incentive bonus R	Salary R	Total R
Mr Cobus Beyleveld	222,876	18,774	0	0	1,290,408	1,532,058
Mr Alan Carolissen**	320,753	23,915	0	0	1,906,957	2,251,625
Mr Justin Daniel**	226,414	20,620	0	0	1,567,106	1,814,140
Mr Zweli Ndziba	167,335	21,658	10,788	0	1,682,237	1,882,018
Dr Vusi Twala	247,640	22,036	15,068	0	1,714,024	1,998,768
	<b>1,185,018</b>	<b>107,003</b>	<b>25,856</b>	<b>0</b>	<b>8,160,732</b>	<b>9,478,609</b>

# NOTES TO THE ANNUAL FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2021

## 14. KEY MANAGEMENT PERSONNEL (continued)

	2020					
	Defined contribution fund R	*Other company contributions R	Allowance R	Incentive bonus R	Salary R	Total R
Mr Cobus Beyleveld	222,453	24,475	0	121,063	1,290,831	1,658,822
Mr Alan Carolissen**	320,143	30,449	0	152,449	1,935,806	2,438,847
Mr Justin Daniel**	225,984	27,468	0	143,482	1,567,536	1,964,470
Ms Anjue Hirachund	42,666	1,937	433	0	179,913	224,948
Mr Zweli Ndziba	167,017	28,738	10,788	147,965	1,682,556	2,037,064
Dr Vusi Twala	247,170	28,647	15,068	98,083	1,714,494	2,103,462
	<b>1,225,431</b>	<b>141,714</b>	<b>26,289</b>	<b>663,042</b>	<b>8,371,136</b>	<b>10,427,613</b>

\* Other company contributions consist of UIF, COIDA and Skills development levy payments.

\*\* Mr Alan Carolissen (Acting CEO) and Mr Justin Daniel (CFO) serve as executive Directors on the NRWDI Board of Directors.

## 15. EVENTS AFTER THE REPORTING PERIOD

### CONDONATION OF IRREGULAR EXPENDITURE

After several engagements with National Treasury in the previous financial years, a formal request for condonation of the irregular expenditure was sent to National Treasury in March 2021. On 28 May 2021, subsequent to the year end, National Treasury informed NRWDI that the irregular expenditure in the amount of R3 401 382.04 has been condoned and that the irregular expenditure in the amount of R5 303 312.42 was not condoned. The reason for the latter was that at the time of the request, it could not be confirmed if the irregular transactions had derived value for NRWDI. The transactions relating to the closing balance of R5.3 million is currently under investigation to determine if such had derived value for NRWDI, and based on the outcome of the investigation, a subsequent condonation request will be submitted to National Treasury. This matter is also reported in note 22.

### COVID-19

The various levels of COVID-19 lockdown in throughout the year under review resulted in decreased expenditure in certain related expense items, without necessarily affecting the operations of the entity.

### RIOTS AND UNREST

In July 2021, South Africa experienced a week of violent riots which left business properties damaged and looted in KwaZulu-Natal and Gauteng. NRWDI was not affected by this unrest, and did not suffer any loss or damage.

## 16. RELATED PARTY TRANSACTIONS

NRWDI does not have control or significant influence over any other entity. NRWDI is a statutory organisation governed by the Act, and a national public entity listed under Schedule 3A of the PFMA No. 1 of 1999 as amended. NRWDI is not required to disclose the value of transactions with other public sector entities where the transactions were concluded within normal operating procedure on terms that are no more or less favourable than the terms that it would use to conclude transactions with another entity or person but is required to disclose the nature of the transactions and the related outstanding balances. The following is a summary of transactions with related parties during the year and balances due at year end:

# NOTES TO THE ANNUAL FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2021

## 16. RELATED PARTY TRANSACTIONS (continued)

Name	Relationship	2021 R	2020 R
<b>Department of Mineral Resources and Energy</b>	<b>Controlling entity</b>		
<b>Grant Received</b>		49,397,000	47,499,000
National Nuclear Regulator (NNR)	<b>Fellow entity</b>		
Nuclear Installation Licence application		2,692,400	3,741,476
<b>Necsa</b>	<b>Fellow entity</b>		
Expenses incurred*		1,549,057	3,239,155
Services received**		61,129	160,629
Trade and other Receivables – Necsa (Eskom Waste Disposal Contract)***		5,111,947	5,111,947
Provision for impairment		(5,111,947)	(5,111,947)
Year-end balance		0	0
Trade and other Payables – Year-end balance		265,859	4,602,274

\* Payment was made to Necsa for office rental and IT services in 2021 and 2020 and payment of suppliers appointed by Necsa Procurement Unit on behalf of the NRWDI in 2020.

\*\* Finance, Payroll and SCM services were rendered by Necsa to the NRWDI. The decrease in service fees is as a result of NRWDI fully and independently performing these functions in the course of the financial year under review.

\*\*\* As at 31 March 2017, this amount was past due and provided for possible impairment due to recoverability uncertainty.

## 17. FINANCIAL INSTRUMENTS

The below financial instruments are carried at amortized cost.

	2021 R	2020 R
<b>Non-current financial assets</b>	0	0
<b>Current financial assets</b>		
Deposits	141,571	141,571
Other Receivables	61,340	108,062
<b>Current financial assets</b>		
Cash and cash equivalents	28,789,178	25,961,483
Trade receivables	5,111,947	5,111,947
Impairment on trade receivables	(5,111,947)	(5,111,947)
<b>Non-current financial liabilities</b>	0	0
<b>Current financial liabilities</b>		
Payables from exchange transactions	757,084	5,305,851

# NOTES TO THE ANNUAL FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2021

## 17. FINANCIAL INSTRUMENTS (continued)

### 17.1 CREDIT RISK

Credit risk consists mainly of cash deposits, cash equivalents and receivables from exchange transactions.

The entity holds cash and cash equivalents with an investment grade rated registered banking institution, which it regards as having an insignificant credit risk. An amount is also held at the Corporation for Public Deposits (CPD), which has the same rating as the South African Reserve Bank. The entity commenced depositing Funds with the CPD in order to maximise interest earned. The interest rates on this account fluctuate in line with movements in current money market rates. Rates earned on funds deposited with the CPD are higher than those earned on funds in the short-term money market account.

The entity did not have any financial assets exposed to significant credit risk at year end as the risk identified has been fully provided for in the previous financial year.

The maximum exposure to credit risk is presented in the table below:

	2021			2020		
	Gross carrying amount R	Credit loss allowance R	Amortised cost/fair value R	Gross carrying amount R	Credit loss allowance R	Amortised cost/fair value R
Cash and cash equivalents	28,789,178	0	28,789,178	25,961,483	0	25,961,483
Trade Receivables: Necsa	5,111,947	(5,111,947)	0	5,111,947	(5,111,947)	0
Deposits	141,571	0	141,571	141,571	0	141,571
Other Receivables	61,340	0	61,340	108,062	0	108,062

### 17.2 LIQUIDITY RISK

The entity's risk to liquidity is a result of the funds available to cover future commitments. These payables are all due within the short-term and payable within 30 days from receipt of invoice. The entity manages its liquidity risk by holding sufficient cash in its bank account, supplemented by cash available in investment accounts and through an ongoing review of future commitments.

### 17.3 INTEREST RATE RISK

As the entity has no significant interest-bearing assets, the entity's income and operating cash flows are substantially independent of changes in market interest rates.

## 18. COMPENSATION OF EMPLOYEES

	Note(s)	2021 R	2020 R
Basic salary		28,606,149	29,016,682
Company contribution - Retirement fund		4,082,771	3,943,929
Statutory contributions		511,296	593,848
Allowances		94,629	95,549
Movement in leave provision		538,544	(314,318)
Movement in bonus provision		2,857,002	238,280
<b>Total compensation (as per Statement of Financial Performance)</b>		<b>36,690,391</b>	<b>33,573,969</b>

# NOTES TO THE ANNUAL FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2021

## 19. GOODS AND SERVICES

	Note(s)	2021 R	2020 R
Expenditure			
Advertising		229,914	119,404
Ad Placement		100,030	0
Audit fees		1,099,080	785,403
Bank charges		22,369	24,490
Banners		4,300	34,362
Consulting Fees		75,810	0
Consumables		47,582	51,129
Contracted-out services		754,511	1,843,489
Development material		2,729,488	4,026,676
Directors' emoluments	13	436,301	143,653
Electronic office equipment		694,732	613,223
Entertainment		1,000	31,514
External Printing		200,725	220,622
Legal expenses		0	73,168
Licences		210,179	26,161
Membership fees		36,786	54,831
PC Software		10,068	0
Postal costs		3,829	8,370
Printing and stationery		22,905	31,011
Repairs and maintenance		17,553	8,698
SARS penalties		3,500	0
Security services		0	1,932
Short term insurance		33,154	0
Small Capital Items		3,335	0
Telecommunication		275,310	278,400
Training		342,559	252,689
Travel - local		62,453	275,279
Travel - overseas		0	367,520
Workshops & conferences		61,943	123,746
		<b>7,479,416</b>	<b>9,395,770</b>

# NOTES TO THE ANNUAL FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2021

## 20. COMMITMENTS

There are no commitments to any external parties for potential obligations of the entity, except for payments to suppliers and the following lease commitment held with Necsa.

	2021 R	2020 R
<b>Lease commitments</b>		
Operating leases	0	845,427
<b>Other commitments</b>		
Capital commitments	360,357	1,473,503
Operational commitments	1,021,578	2,456,786
<b>Total other commitments</b>	<b>1,381,935</b>	<b>3,930,289</b>

	2021	
	Buildings and other fixed structures R	Total R
Not later than one year	0	0
Later than one year and not later than five years	0	0
<b>Total lease commitments</b>	<b>0</b>	<b>0</b>

	2020	
	Buildings and other fixed structures R	Total R
Not later than one year	845,427	845,427
Later than one year and not later than five years	0	0
<b>Total lease commitments</b>	<b>845,427</b>	<b>845,427</b>

The lease commitment relates to a lease agreement that was entered into with Necsa for office accommodation totalling 1000 square metres. The lease agreement was for the initial period 01 April 2017 to 31 March 2019 and was extended for an additional 2 years; i.e., from 01 April 2019 to 31 March 2021. Management engaged with Necsa prior to the expiry of the lease in March 2021 to inform Necsa of its intention to relocate from Pelindaba and further requested Necsa to extend the lease on a month-to-month basis. NRWDI is, to date, waiting for extension of the lease agreement to be finalised for the continuation of the lease from 01 April 2021 on the above basis. In the meantime, NRWDI has exercised the option available in the lease agreement for the occupation to be deemed to be a monthly rental agreement with the similar terms and conditions of the expired agreement.

# NOTES TO THE ANNUAL FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2021

## 21. CONTINGENCIES

A cash surplus amounting to R19,979,682 for the 2020/21 financial year, which must be surrendered to National Treasury unless permission is granted to retain the surplus. The cash surplus was calculated using a formula prescribed by National Treasury through the National Treasury Instruction No.12 of 2020/21 as follows: Cash and cash equivalents plus receivables less current liabilities.

## 22. PUBLIC FINANCE MANAGEMENT ACT

### Material Losses:

No material losses through criminal conduct, irregular and fruitless and wasteful expenditure was incurred during the period ended 31 March 2021 and 31 March 2020

### Irregular expenditure:

During the period under review, management detected the following irregular expenditure:

	2021 R	2020 R
Opening Balance	8,704,694	8,704,694
Add: Irregular Expenditure - current year	0	0
Less: Irregular Expenditure Condoned – current year	0	0
Less: Irregular Expenditure Condoned subsequent to year end	3,401,382	0
<b>Closing Balance</b>	<b>5,303,312</b>	<b>8,704,694</b>

In the 2016 and 2017 financial year, goods and services in the amount of R3,362,502 and R5,342,194 respectively were procured without the due SCM processes being followed. After several engagements with National Treasury since 2018, a formal request for condonation was sent to National Treasury in March 2021.

### Condonation

On 28 May 2021, National Treasury informed NRWDI that the irregular expenditure in the amount of R3 401 382.04 has been condoned and that the irregular expenditure in the amount of R5 303 312.42 was not condoned.

### Investigation

At the time of the condonation request, it could not be confirmed if the irregular transactions had derived value for NRWDI. The transactions related to this amount is currently under investigation, and based on the outcome of the investigation, a subsequent condonation request will be submitted to National Treasury; and should there be any transactions that cannot be condoned the process to institute disciplinary steps and/or criminal proceedings will be initiated.

### Analysis of awaiting condonation per age classification

	2021 R	2020 R
Current year	0	0
Prior years	5,303,312	8,704,694
<b>Total</b>	<b>5,303,312</b>	<b>8,704,694</b>

# NOTES TO THE ANNUAL FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2021

## 23. CASH GENERATED FROM OPERATIONS

	2021 R	2020 R
Surplus for the year	4,548,142	5,528,632
<b>Adjustments for:</b>		
Depreciation/amortisation	1,003,864	703,097
Movement in provisions	3,395,547	(82,267)
Loss on assets written-off	9,463	0
<b>Working capital changes</b>		
(Increase)/decrease in receivables from exchange transactions	120,119	(73,345)
(Decrease)/Increase in payables from exchange transactions	(4,688,062)	223,769
	<b>4,389,073</b>	<b>6,299,886</b>

## 24. BUDGET

For the purposes of budget reporting, material variances are amounts in excess of R100 000 or where the variance amount is deemed significant in relation to the item. Material differences between budget and actual amounts are as follows:

### 24.1 INTEREST RECEIVED

Interest is earned on short term deposits. The lower than anticipated interest received was due to a reduction in the interest rate mainly as a result of the COVID-19 lockdown. The interest rate dropped from 4.75% in April 2020 to 2% in December 2020.

### 24.2 PERSONNEL EXPENSES

The surplus in salaries is largely attributed to the CEO and Risk Manager posts that are not yet filled to date and the vacant posts of the Board Secretary and Senior Manager: Communications.

### 24.3 PERSONNEL RELATED EXPENSES – SURPLUS IN TRAINING

No training could be undertaken in quarter 1 due to the state of national disaster and the COVID-19 lockdown. Similarly, training in the subsequent quarters were both slow and limited due to training institutions repackaging the physical classroom training for online training. In light of the COVID-19 pandemic, there was also apathy from staff to attend physical training sessions were such was offered. As part of the budget normalisation process, R230,000 of this surplus was directed towards the deficit in advertising.

### 24.4 CONSULTANT FEES

An amount of R200 000 was budgeted for HR projects related to Remuneration Benchmarking as part of the Organisational Design Project. The final costs on receiving the close out report amounted to R75 810. Any additional or follow up work on this exercise was not required.

### 24.5 TRAVEL AND SUBSISTENCE

The surplus is due to the lower rate of local travel and the moratorium on and international travel for the year. This was largely due to the travel restrictions imposed as part of the COVID-19 lockdown. In most instances, physical conferences and seminars were replaced by webinars which did not necessitate any travel.

# NOTES TO THE ANNUAL FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2021

## 24. BUDGET (continued)

### 24.6 LEASE RENTALS ON OPERATING LEASE

The budgeted office rental costs at Pelindaba were calculated with a CPI based annual increases, which was lower than anticipated and this resulted in a surplus of R9 605.

### 24.7 DIRECTORS REMUNERATION

This relates to the payment of fees of external Directors and Board committee members for meeting preparation and attendance. The new Board was inducted in September 2020 and has had a full sitting at most of its meetings as well as a full sitting at most of its three Board committee meetings. There are 5 paid non-executive Directors on the current Board as compared to 2 paid non-executives on the previous Board.

### 24.8 GENERAL EXPENSES

The surplus in general expenses is made up as follows:

#### Deficit of R121,613 in contracted-out services

Apart from the regular and budgeted contracted out services, an amount of R1 67,000 was paid for finalisation of the Corporate Brand Identity Manual. This project was commissioned towards the end of the previous financial year. Savings have been identified within the General Expenses classification to cater for these costs.

#### Deficit of R119,080 in audit fees

The year-to-date deficit is due to the actual costs to date of R1,099,080 as paid over to the AGSA and provided for against the year-to-date budget of R980,000. This is mainly attributed to the additional audit effort for the 2019/20 regulatory audit.

#### Surplus of R300,000 in legal costs

Included in the Legal Services budget is an amount for legal opinions and representations. Whilst there were no legal matters that required the use of external service providers in quarters 1 and 2, the appointment of a conveyancing firm for the transfer of the Vaalputs properties commenced in quarter 3 and the appointment of the service provider was finalised in quarter 4. As at 31 March 2021, the process was still in progress, and no costs were received.

#### Surplus of R149,092 in telecommunication and cell phones

The surplus in cell phone allowances is directly attributable to the senior management vacancies in the course of the financial year as well as the reduction in use of office telephones as a result of the working from home arrangements, where landlines calls are being made via the voice over internet protocol.

#### Surplus of R135,000 in branding material

The Corporate Branding Manual was developed in quarter 1 and was approved in quarter 3. The procurement of brochures and other corporate branded material is planned for the new financial year. There was also no need for promotional branding material to be issued as all conferences and events were cancelled.

#### Surplus of R93,846 in insurance

The terms of reference for the Insurance Portfolio has been compiled and is the final review process for the appointment of a service provider.

# NOTES TO THE ANNUAL FINANCIAL STATEMENTS

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FOR THE YEAR ENDED 31 MARCH 2021

## 24. BUDGET (continued)

### 24.8 GENERAL EXPENSES (continued)

#### Deficit of R56,732 in IT Support

This was attributed to the additional support hours in respect of the Finance ERP System, MS Dynamics. In addition to the synchronizing of trial balances of the Necsa and NRWDI domains. From the 1st of April 2020 NRWDI no longer used the MS Dynamics on the Necsa domain). As NRWDI started using its own financial system, it had to create its own Business Intelligence (BI) Reports as the Necsa FRX reports were not available anymore. This entailed the development of reporting templates for 3x standard reports (Statement of Financial Performance, Statement of Cash Flow and Statement of Financial Position).

#### Surplus of R26,370 in printing and stationery

Due to the work from home arrangements, printing costs were also reduced as a result of the entity adopting and encouraging a more paperless approach.

#### Surplus of R93,214 in membership fees

The membership fee policy was introduced in the course of the financial year, and the resultant surplus is attributed to the slower than anticipated uptake on memberships and some of the key personnel posts that have been vacant.

### 24.9 PUBLIC SAFETY INFORMATION FORUMS AND SAFETY CASE SUPPORT

This relates to costs in respect of re-licencing of Vaalputs, which includes safety assessments, and Necsa outsourced services related to the NRWDI technical support organisation capability in respect of the Vaalputs radioactive waste disposal operations. These costs were incurred upon the NRWDI agreeing with the National Nuclear Regulator on the Licencing Strategy and submitting its application for the nuclear installation licence which is currently in process. This line item reflects a deficit of R2,319,400, however the costs were catered for in the 2019/20 retained surplus.

### 24.10 REPAIRS AND MAINTENANCE

The surplus of R10,447 is mainly due to staff not being physically in office for most part of the financial year as a result of working from home during the COVID-19 hard lockdown, and limited and managed working from office thereafter.

### 24.11 DEPRECIATION AND AMORTISATION

The deficit of R570,364 in depreciation is attributed to the addition of furniture, computer equipment and intangible assets towards the end of the 2020 financial year and the additional IT hardware and software requirements as a result of the working from home arrangements in the COVID-19 lockdown.





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