



Annual Report



2021-2022





CONTENTS

Part A: General Information	4
General Information	5
List of Abbreviations	6
Foreword by the Chairperson	7
Chief Executive Officer's Overview	9
Statement of Responsibility	12
Strategic Overview	13
Legislative and Other Mandates	14
Organsational Structure	18

Part B: Performance Information	21
Predetermined Objectives	22
Situational Analysis	22
Institutional Programme Performance Information	23
Revenue Collection	30

Part C: Governance	31
Introduction	31
Portfolio Committees	32
Executive Authority	32
The Accounting Authority / Board	32
Risk Management	38
Internal Control Unit	38
Compliance with Laws and Regulations	38
Fraud and Corruption	38
Minimising Conflict of Interest	39
Code of Conduct	39
Health Safety and Environmental Issues	39
Board Secreratary	39
Social Responsibility	39
B-BBEE Compliance Performance Information	40

Part D: Human Resources Management	41
Introduction	42
Human Resources Oversight Statistics	43

Part E: Financial Information	48
General Information	49
Report of The Auditor-General	50
Audit and Risk Committee Report	54
Director's Responsibilities and Approval.....	56
Director's Report	57
Statement of Financial Position	59
Cash Flow Statement	62
Statement of Comparison of Budget and Actual Amounts	63
Notes to the Unaudited Annual Financial Statements	70

Part A

GENERAL INFORMATION



GENERAL INFORMATION

REGISTERED NAME	National Radioactive Waste Disposal Institute (NRWDI)
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REGISTRATION NUMBER	N/A
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WEBSITE ADDRESS	www.nrwdi.org.za
EXTERNAL AUDITORS	Auditor General of South Africa
BANKERS	ABSA Bank
BOARD SECRETARY	Mr N Kleinbooi

LIST OF ABBREVIATIONS

ABBREVIATION	DESCRIPTION
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
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
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

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The success of any organisation is dependent on its people. People are the most important asset.

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FORWARD BY THE CHAIRPERSON

On behalf of the National Radioactive Waste Disposal Institute (NRWDI) Board of Directors, it is my pleasure to present NRWDI's 2021/22 Annual Report and Audited Financial Statements to the Minister of Mineral Resources and Energy, the shareholder Department and all stakeholders.

The NRWDI Team has been able to respond, to the best of its ability, to challenges brought by the Covid-19 pandemic (missed 2020/21 deadlines, delayed implementations, etc.) with minimal interruptions to the daily operations of the entity. Our focus for the year under review continued to be on ensuring the safety of our team members and their families. We, as the NRWDI family, extend our sincere 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.

The 2021/22 financial year was a year of our first step in the recovery process. Armed with the country's roll-out of the Covid-19 vaccine coupled with a decrease in the number of infections and an increase in the number of recoveries, we were able to address some of last year's (into this year's) delays.

At the NRWDI's 2021/22 planning session, the Board of Directors and Management identified the following key focus areas for the year: —

1. Finalising the application process for the Nuclear Installation Licence (NIL) and working with the nuclear regulator to expedite the issuing of the licence to the NRWDI thus enabling the NRWDI to implement in full its functional mandate of '..manag[ing] radioactive waste disposal on a national basis..'
2. Working closely with the DMRE in fast-tracking the Radioactive Waste Management Fund Bill, which will provide sustainable funding for the entity.
3. The need for progress on the establishment of the Central Interim Storage Facility (CISF) that will provide a sustainable solution for the long-term management of high-level waste and spent fuel.
4. Enhancing the governance structure of the entity with the appointment of the CEO and the balance of the Board members.
5. Maintaining the entity's record of clean audit reports.

NUCLEAR INSTALLATION LICENCE (NIL)

The issuing of the NIL by the nuclear regulator will not only ensure that the NRWDI implements its functional mandate as outlined in the National Radioactive Waste Disposal Act (Act 53 of 2008), but it will also improve the NRWDI's strategic and operational planning processes.

Our continued engagement with the National Nuclear Regulator with regard to the Nuclear Installation Licence application during the year under review resulted in the completion of the application process by year-end. It is anticipated that the licence will be received in the 2022/23 financial year. While the licence application is being considered, the NRWDI has commenced with the Vaalputs Transitional Plan, which will contribute to the seamless transition of Vaalputs from Necsa to the NRWDI. It is very important for us that the NRWDI is ready to take over the management and operations of the Vaalputs facility flawlessly so as to make up for the time lost in this process.

THE RADIOACTIVE WASTE MANAGEMENT FUND (RWMF) BILL

The NRWDI Act, Section 21(1)(c), identifies the RWM Fund as the major funding stream for the Institute. The NRWDI has been engaging with the DMRE on the RWMF Bill and remains hopeful that the Radioactive Waste Management Fund Bill will follow the legislative processes for an enactment in the near future. The Bill was published for public comments later this year. With the enactment of the Bill and establishment of the Fund expected to take some time, the NRWDI will continue to engage relevant stakeholders on possible interim funding until such time that funds are available and accessible in the Fund.

THE CENTRALISED INTERIM STORAGE FACILITY (CISF)

The NRWDI's mandate includes the development and implementation of programmes for safe storage and disposal of spent nuclear fuel or high-level radioactive waste and long-term intermediate level waste on a national basis. The Centralised Interim Storage Facility (CISF) is a long-term off-site above-ground storage facility for spent nuclear fuel from the country's nuclear reactors. The CISF remains a catalyst for change in the country and will assist Government by making a contribution to its socio-economic objectives through job creation and skills development.

STAKEHOLDER ENGAGEMENT

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

In this regard, the NRWDI signed on 22nd September 2021 the 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 implementation of the Borehole Disposal Facility demonstrates the NRWDI's unwavering commitment and support for advancing nuclear security and radiation safety goals across the African region and abroad.

Stakeholder confidence and trust are of utmost importance for the societal acceptance of our waste disposal operations and therefore we place a high premium on stakeholder capacity building, communication and participation. This means we will never compromise on safety and security, taking full accountability for our social and environmental responsibilities, and actively engaging with all our esteemed stakeholders in an open, transparent and respectful manner. I wish to pay tribute to all the NRWDI's stakeholders for their continued support. We could not make progress without our stakeholders, who continue to challenge, scrutinise and support our important work.

GOVERNANCE

During the 2021/22 financial year, we were able to strengthen our leadership and governance structures with the appointment of the CEO in November 2021 and the accomplishment of the full board complement.

In concluding, I would like to express my gratitude to the Honourable Minister of Mineral Resources and Energy and the relevant leadership of the Department for their continued support and considered input.

I would also like to extend my gratitude to my fellow Board members for the direction and strategic leadership they provided in their capacity as the Accounting Authority of the NRWDI; and on behalf of the Board, I wish to thank the NRWDI Team who have demonstrated resilience, tenacity and resourcefulness to continue achieving commendable results despite the many resource and capacity constraints.

Looking ahead, the NRWDI will continue striving to be an entity trusted and respected by its stakeholders and the public as a provider of the country's solutions for the safe and secure management of radioactive waste disposal.



Ms Thandeka Zungu

Chairperson: NRWDI

Date: 31 July 2022

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The success of NRWDI is dependent on the engagement that it has with its stakeholders.

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CHIEF EXECUTIVE OFFICER'S OVERVIEW

It gives me immense pleasure to present the NRWDI's financial and non-financial performance for the financial year 2021-2022.

OVERVIEW OF THE ORGANISATIONAL PERFORMANCE OF THE PUBLIC ENTITY

Having assumed office on 1st November 2021 and reflecting on the events and activities of the 2021/2022 financial year, I must agree that the focus of the NRWDI has been to provide unwavering support for our employees' well-being during the COVID-19 pandemic. Although the world is still grappling to deal with the COVID-19 pandemic, I am pleased to recognise that the NRWDI has responded to the global COVID-19 crisis with professionalism and empathy. Our staff have shown themselves to be a very flexible, adaptable and extraordinarily dedicated group of people in these uncertain times. Whilst embracing a hybrid model of operations to contain the spread of COVID-19, the entity achieved a performance rating of 87.5%, which is commendable under these circumstances, and which bears testimony to their operational competence and resilience.

I feel honoured to report that the entity has obtained clean audit reports for five consecutive years, which demonstrate that the Institute embraces and institutionalises a strong culture of good governance. The clean audits also demonstrate a resilient commitment towards ethical public administration including prudent financial management, operational excellence and leadership based on the highest ethical and moral standards, thus contributing to

Government's objective of building a capable, ethical and developmental State.

The NRWDI remains committed to fulfilling the vast expectations of South Africans that radioactive waste 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

The NRWDI currently receives its main source of funding from the fiscus through grant transfers via the DMRE. The government grant allocation in the current year was R49.166 million, which was a decrease of 0.45% from the previous year. The entity's revenue budget was augmented by interest income of R1.725 million, which brought the total budgeted revenue to R50.891 million. In achieving a zero-deficit budget in the financial year under review, R41.239 million was allocated towards compensation of employees' expenses, whilst R9.652 million was allocated towards other expenses.

The interest received from the current and call accounts amounted to R1.177 million. In addition, an income of R122,360 was earned from commission and services rendered. No adjustments were made to the budget during the mid-term budget cycle. The NRWDI continued

to maintain its going concern status over the financial year under review through sound financial management and prudent accounting practices.

The organisation continues to be in a fairly healthy financial position with its cash and cash equivalents being R31.762 million, which is equivalent to a 3.68 cash turnover ratio and a liquidity ratio of 3.72 as at the end of the financial year. The net asset value for the same period is reported as R26.731 million.

Spending trends of the public entity

The total expenditure of the NRWDI increased by 2.55 % compared to the previous financial year. Whilst goods and services spending increased by 3.45%, total staff costs increased by 2.07% and depreciation costs increased by 12.37%.

The increase in goods and services spending was mainly due to legal costs for the transfer of the Vaalputs properties, obtaining licences for additional Microsoft licences, travel as the lock down restrictions were relaxed, and an outsourced labour and employment law specialist services. 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, whilst the cost-of-living adjustments and performance incentives dispensed contributed to the increase in compensation of employee costs.

Requests for rollover of funds

In the preceding financial year, the NRWDI applied for retention of surpluses of R19.979 million that were realised in 2020/21 and this was ring-fenced to be utilised for IT infrastructure costs, nuclear installation licence costs and costs related to the feasibility study of the Central Interim Storage Facility (CISF) project. The spending on the aforementioned projects commenced towards the end of the financial year but could not be concluded by the end of the financial year due to the timing of the approval of the retained surplus in addition to reasons outside of the control of the entity.

Subject to the approval by the National Treasury, an amount of R23.502 million of the R31.762 million cash and cash equivalent balance will be rolled over and utilised in the 2022/23 financial year to continue and complete the commenced projects related to the IT infrastructure, research and development in respect of the CISF project and the last phase of the nuclear installation licence application.

Supply Chain Management (SCM)

No unsolicited bid proposals were concluded by the NRWDI. The entity continued to implement all Supply Chain Management (SCM) prescripts and policies as required. The NRWDI also ensures compliance with all guidelines and instructions introduced by the National Treasury. In addition,

the supply chain management (SCM) function has ensured the completion and approval of the NRWDI SCM Policy and Procedure Manual and the establishing and training of the bid committees. All these ensure that the NRWDI has effective measures in place to prevent and detect irregular, fruitless and wasteful expenditure, and place transparent and fair procurement practices and the ethical treatment of public funds, above all else.

The Board ensures oversight of SCM through quarterly reports on financial and organisational performance. The SCM system also complies with transformation and equity requirements as dictated by both the Preferential Procurement Policy Framework Act (PPPFA) and the Broad Based Black Economic Empowerment Act. The NRWDI is proud in meeting its obligations towards suppliers, by complying with the '30 days or less' payment period.

Outlook/plans for the future to address financial challenges

The funding constraints, as the result of the economic downturn and government's fiscal pressure, have had an impact on all organs of State, reliant on the national fiscus, including the NRWDI. The National Treasury's approval of the surpluses retained in the previous financial year, once obtained, will be prioritised to be spent prudently for strategic activities that cannot be met or funded by the operating budget. Notwithstanding the retention of surplus, without an adjustment in the NRWDI MTEF baseline allocation, the economic viability of the NRWDI remains a concern especially in relation to its mandate.

Although the NRWDI operates as a going concern with more assets than liabilities, the ability of the organisation to develop the requisite capacity to carry out its full mandate remains constrained by its reliance only on transfers from the fiscus. In light of this, the obtaining adequate funding and financing of radioactive waste disposal operations is a recognised requirement. The need to provide for the financing of radioactive waste management is in principle based upon "The Polluter Pays Principle", which was adopted by the OECD in 1972 as an economic principle for allocating the costs of pollution control. The principle has been considered since 1990 as a "general principle of international environmental law".

The Radioactive Waste Management Policy and Strategy (2005) of the Republic of South Africa states that a Radioactive Waste Management Fund (RWMF) should be established to ensure that financial resources are available for the management of radioactive waste. The implementation of the Radioactive Waste Management Fund Bill will ensure that the NRWDI is self-sufficient and less dependent on the state. The resources should be available as and when required throughout the operational lifetime of the National Radioactive Waste Disposal Institute and associated facilities. The RWMF is in the process of promulgation and is expected to be fully implemented by April 2025 thus providing the enablement of adequate and sustainable funding of the NRWDI in the long term.

Economic viability

The financial stability of the NRWDI is maintained by the implementation of stringent and prudent spending measures. However, post the obtaining of the nuclear installation licence, the NRWDI will be concentrating its efforts to leverage on its cost-recovery efforts from the radioactive waste generators. The proactive strategies that drive the organisational financial performance provide a level of certainty that the organisation will remain a going concern for the foreseeable future.

Many hours were spent in the financial review period, working tirelessly on the safety case for the Nuclear Installation Licence. The NRWDI awaits the receipt of the licence, which will result in the implementation of the NRWDIA. Concurrently to this process are transitional planning arrangements, which are being conducted to ensure that there is a smooth transition of the Vaalputs staff to the NRWDI.

One of the key mandates for the NRWDI as espoused in the NRWDIA is the development and implementation of programmes for safe storage and disposal of spent nuclear fuel or high-level radioactive waste and long-term intermediate level waste on a national basis. The Centralised Interim Storage Facility (CISF) is one such project that has a huge potential to be a game-changer in South Africa through the creation of jobs and skills development.

The growth and development of the NRWDI would not have been possible without the most valuable asset, which is the NRWDI staff. It is important to note that they have remained resilient, flexible and committed to the vision of the organisation in such unprecedented times. They were able to ensure that all activities carried out would make a valuable contribution to the key deliverables in its Annual Performance Plan 2021/22.

The NRWDI does not exist in isolation. Being a member state of the International Atomic Energy Agency provides an excellent opportunity to grow and develop from the international collaboration and engagement with member countries. It also provides the NRWDI with the opportunity to promote the safe, secure and peaceful use of nuclear technologies.

The success of NRWDI is dependent on the engagement that it has with its stakeholders. I wish to pay tribute to all the NRWDI's esteemed and valued stakeholders for their continued support. Our stakeholders contributed to our progress by challenging, scrutinising and supporting our important work. We will always engage our stakeholders in an inclusive and responsive manner through constructive dialogue and meaningful partnerships, upholding the principles of good governance.

The WINSAs chapter within the NRWDI plays an important role in the empowerment of women in the entity, and as the previous President of WINSAs, I intend assisting these

women in ensuring that WINSAs has a strategic vision to take women in the nuclear industry to greater heights.

Outcome of AGSA findings

The NRWDI obtained a clean audit for 2021/22 financial year without any findings. The two administrative findings that were raised in the 2020/21 audit were closed out by the end of the 2020/2021 financial year.

EVENTS AFTER THE REPORTING DATE

In June 2022, subsequent to the year-end, the National Treasury informed the NRWDI that the irregular expenditure of R102 251 in respect of a variation order relating to the services of a labour and employment law specialist was not condoned since the entity did not obtain prior approval from the National Treasury. The NRWDI was accordingly requested to ensure that paragraph 56 (a-h) of the Irregular Expenditure Framework is complied with for the irregular expenditure to be removed by the Accounting Authority. There were no other events that took place post the balance sheet date of 31st March 2022.

ACKNOWLEDGEMENTS AND APPRECIATION

I wish to convey my sincerest gratitude to the Chairperson, Ms T Zungu, and Directors of the NRWDI Board for their sterling leadership, patience, unwavering support and guidance in their execution of their fiduciary responsibilities.

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

My sincerest thanks and genuine appreciation go out to all who have been instrumental in assisting the NRWDI in meeting its objectives, thereby fulfilling its mandate and contribution to Government's social and economic imperatives.



Dr Margaret Mkhosi
Chief Executive Officer
Date: 31 July 2022

5. STATEMENT OF RESPONSIBILITY

STATEMENT OF RESPONSIBILITY AND CONFIRMATION OF ACCURACY FOR THE ANNUAL REPORT

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

All information and amounts disclosed in the Annual Report are consistent with the Annual Financial Statements audited by AGSA. The annual report is complete, accurate and is free from any omissions.

The Annual Report has been prepared in accordance with the guidelines on the Annual Report as issued by the 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, the performance information, the human resources information and the financial affairs of the public entity for the financial year ended 31 March 2022.

Yours faithfully



Dr Margaret Mkhosi

Chief Executive Officer

Date: 31 July 2022

6. STRATEGIC OVERVIEW

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

The 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, the NRWDI has developed a set of core values. The NRWDI's value statements are reflected in the table below.

NURTURING	We will make the well-being of people and the environment a priority.
RESPECT	We will respect all and obey the laws and legislation that govern our country and regulate our industry.
WORK-LIFE BALANCE	We are committed to the creation of a culture that supports the achievement of both life and work.
DEDICATION	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.
INTEGRITY	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 having due regard to the fundamental rights as contained in the Constitution of the Republic of South Africa other related legislation. The following sections are extracts from the Constitution which have a direct bearing on the NRWDI in terms of delivering on their 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 well-being; 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.

In turn, 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 following other acts. These are discussed below.

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

The National Radioactive Waste Disposal Institute Act (NRWDIA) (Act no. 53 of 2008) was proclaimed by the President of the Republic of South Africa in Government Gazette no. 32764 and NRWDIA became effective on the 1st December 2009. The NRWDIA endorsed the establishment of the National Radioactive Waste Disposal Institute (NRWDI). The functions of NRWDI as per Section 5 of the NRWDI Act (Act 53 of 2008) are summarised as follows:

- 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 BoD;
- 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
- Any other function necessary to achieve the objectives of the Institute.

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), long-lived waste, spent/used nuclear fuel and disused sealed

radioactive sources. This implies that alternative disposal concepts would have to be researched, designed and implemented. It is also possible that alternative disposal sites would need to be obtained, characterised, constructed and operated.

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 (No. 46 of 1999) to fulfil the institutional obligation of the Minister of Mineral Resources and Energy. In accordance with the provisions of the Nuclear Energy Act, 1999 (Act No. 46 of 1999), the discarding 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 Environment, Forestry and Fisheries and 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 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) AND ENVIRONMENT CONSERVATION AMENDMENT ACT (ECAA), 2003 (ACT 50 OF 2003)

In accordance with the requirements of the National Environmental Management Act, 1998 (Act No. 107 of 1998) (NEMA), an environmental assessment has to be conducted prior to the construction of a spent fuel management or radioactive waste management facility. Furthermore, the Environment Conservation Amendment Act, 2003 (Act No. 50 of 2003) (ECAA) prescribes that no person may establish, provide or operate a disposal site without a permit issued by the Minister of Environment, Forestry and Fisheries.

MINE HEALTH AND SAFETY ACT 1996 (ACT 29 OF 1996)

The Act provides for protection of the health and safety of employees and other persons at mines and, for that purpose to promote a culture of health and safety; to provide for the enforcement of health and safety measures; to provide for appropriate systems of employee, employer and State participation in health and safety matters; to establish representative tripartite institutions to review legislation, promote health and enhance properly targeted research; to provide for effective monitoring systems and inspections, investigations and inquiries to improve health and safety; to promote training and human resources development; to regulate employers' and employees' duties to identify hazards and eliminate, control and minimise the risk to health and safety; to entrench the right to refuse to work in dangerous conditions; and to give effect to the public international law obligations of the Republic relating to mining health and safety; and to provide for matters connected therewith. It is significant to note that after uranium is extracted from the rocks, the processes leave behind radioactive waste. Uranium is a naturally occurring radioactive element that has been mined and used for more than a thousand years as a fuel for nuclear reactors.

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, 1973 (Act No. 15 of 1973) and are regulated by the Directorate Radiation Control in the Department of Health.

Currently all disused sealed radioactive sources are temporarily stored at Necsca because the end point (i.e., final disposal) has not yet been defined in radioactive waste management plans. The disposal of all radioactive material falls within the ambit of the National Nuclear Regulator and therefore the regulatory framework to manage the total life cycle of sealed radioactive sources needs to be harmonised.

The safety, security and control of disused radioactive sources is a high priority and in line with international commitment in order to prevent radiation accidents that may be caused by the potential abuse and misuse of such sources for, e.g., 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, give effect 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 which take into account amongst 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)

Enables public sector managers to manage and improve accountability in terms of eliminating waste and corruption in the use of public funds. The NRWDI is a Schedule 3A public entity that reports to the Executive Authority i.e., the Minister of Mineral Resources and Energy. The NRWDI's activities are funded by the provision of a budget from funds voted annually to the DMRE. The governance of the NRWDI is entrusted to a Board appointed in accordance with the NRWDI Act, Section 7(1), by the Minister of Mineral Resources and Energy.

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

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)

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)

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)

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)

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)

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.

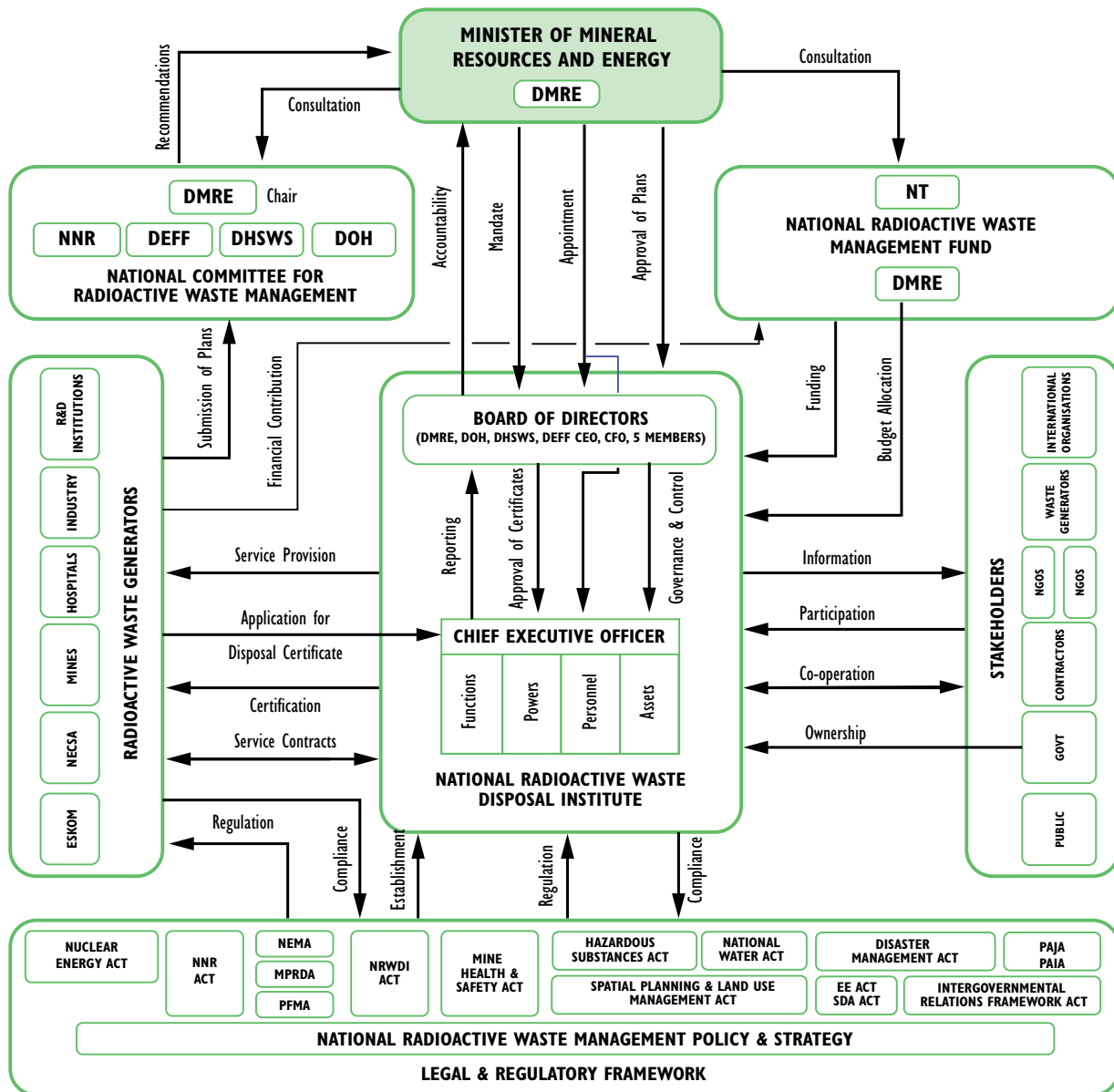
DISASTER MANAGEMENT ACT, 2002 (ACT 57 OF 2002)

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)

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.



ABBREVIATIONS/ACRONYMS

CEO	Chief Executive Officer
CFO	Chief Financial Officer
DEFF	Department of Environment, Forestry and Fisheries
NT	National Treasury
DOH	Department of Health
DMRE	Department of Mineral Resources and Energy
DHSWS	Department of Human Settlements, Water and Sanitation
EE	Employment Equity

MPRDA	Minerals and Petroleum Resources Development Act
NEMA	National Environmental Management Act
NNR	National Nuclear Regulator
NRWDI	National Radioactive Waste Disposal Institute
PFMA	Public Finance Management Act
PAJA	Promotion of Administrative Justice Act
PAIA	Promotion of Access to Information Act
SDA	Skills Development Amendment Act

ORGANISATIONAL STRUCTURE

The NRWDI's macro-organisational structure reflects the key operational functions to oversee the core operational component of the NRWDI as well as the key support capacity for effective delivery on the NRWDI's mandate. The structure is aligned to the NRWDI's four strategic programmes; namely: —

1. Administration,
2. Radioactive Waste Disposal Operations,
3. Science, Engineering and Technology
4. Radioactive Waste Compliance Management.

National Radioactive Waste Disposal Institute Organisational Structure

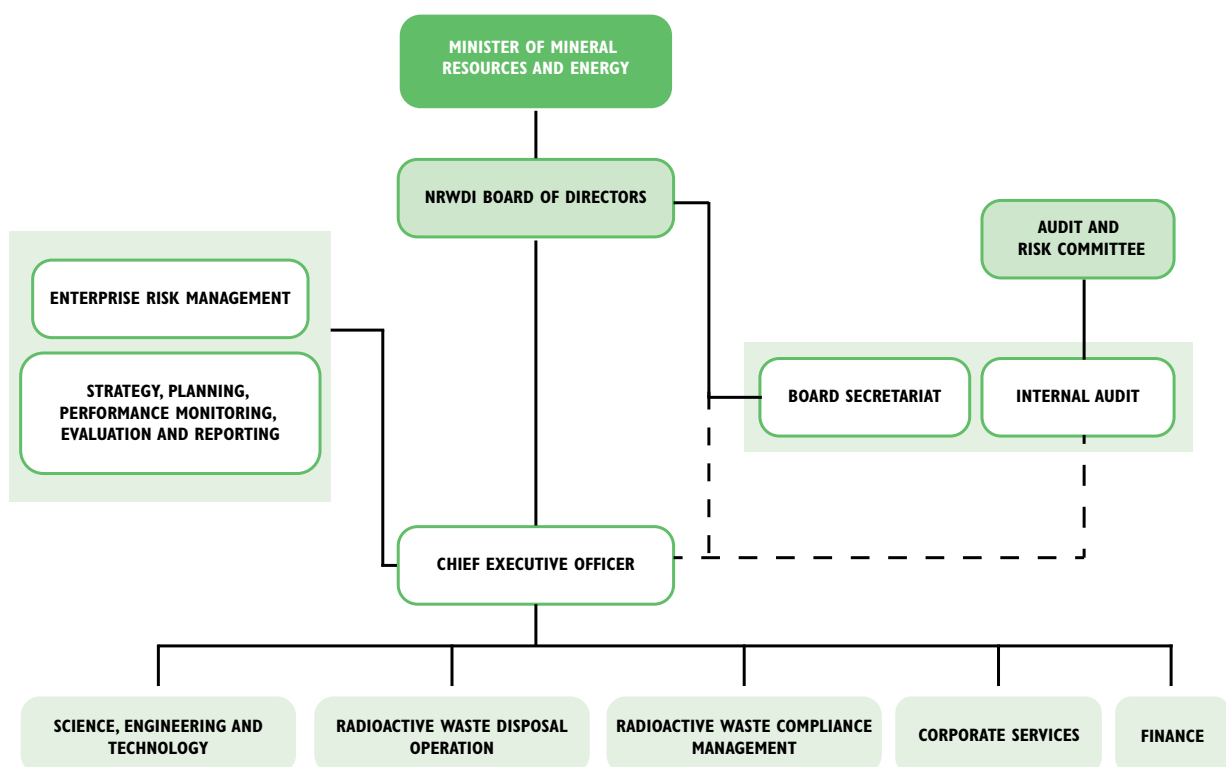


Figure 2: NRWDI organisational structure

BOARD OF DIRECTORS



MS THANDEKA ZUNGU
CHAIRPERSON



MR MOGWERA KHOATHANE
DEPUTY CHAIRPERSON



**MS LEANDA-
MARSHA VILAKAZI**
BOARD MEMBER



DR KGAUGELO CHILOANE
BOARD MEMBER



DR CORNELIUS RUITERS
BOARD MEMBER



MS LERATO MAKGAE
BOARD MEMBER



DR MARGARET MKHOSI
CHIEF EXECUTIVE OFFICER



MR JUSTIN DANIEL
CHIEF FINANCIAL OFFICER



MS MJ MUSEKENE
BOARD MEMBER



MS THABISO PIE
BOARD MEMBER



MS NYAMANDE TOVHOWANI
BOARD MEMBER

EXCO



DR MARGARET MKHOSI
CHIEF EXECUTIVE OFFICER



MR JUSTIN DANIEL
CHIEF FINANCIAL OFFICER



MR ALAN CAROLISSEN
CHIEF OPERATIONS OFFICER



DR VUSI TWALA
CHIEF TECHNOLOGY OFFICER



MR COBUS BEYLEVELD
EXECUTIVE MANAGER:
RADWASTE COMPLIANCE MANAGEMENT
(RETIRED 28TH FEBRUARY 2022)



MS ZISANDA JALAVU
MANAGER INTERNAL AUDIT
(DULY DELEGATED CHIEF AUDIT EXECUTIVE)



MR ZWELI NDZIBA
EXECUTIVE MANAGER:
CORPORATE SERVICES



Part B

PERFORMANCE INFORMATION



1. PREDETERMINED OBJECTIVES

Refer to page 50 of the Report for the Auditors Report, published as Part E: Financial Information.

2. SITUATIONAL ANALYSIS

2.1. Service Delivery Environment

The new CEO assumed duty on 1st November 2021.

2.2. Key policy developments and legislative changes

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

2.3. Progress towards achievement of institutional Impacts and Outcomes

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

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 towards advancing the NDP as the country's development agenda in order reduce poverty, unemployment and inequality and contributing to the MTSF in line with government's seven priority outcomes.

The following progress were made against the respective outcomes:

1. *An effective, efficient and responsive NRWDI.*

Leadership and accountability plays a critical role for an effective and efficient organisations.

In turn, efficiency and effectiveness are critical elements of high performance organisations. The Administration Programme plays a catalytic role in supporting NRWDI towards achieving the government MTSF Priority 1 Capable, Ethical and Developmental State.

The measure of success in this regard is determined by the building of a high performing organisation and to ensure the financial sustainability of the organisation. The NRWDI has obtained four consecutive clean audit opinions and has

implemented HR strategic plan to ensure staff are suitably qualified and experienced in order to execute the mandate of the NRWDI. Staff participated in various training courses to upskill them. We have strengthened our SCM processes to prevent and detect irregular, fruitless and wasteful expenditure and no such expenditure has been incurred for the period under review.

2. *Safe disposal of all classes of radioactive waste.*

The NRWDI remains committed to fulfilling the vast expectations of South Africans for the disposal of radioactive waste 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.

The Radioactive Waste Disposal Operations Programme plays a key role in supporting 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".

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

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 except for "on-reactor site" storage infrastructure. 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 high-level waste.

This Programme plays a key role in supporting 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 the NRWDI to commence with designing, developing and establishing the 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 the NRWDI is ready to commence with the feasibility study and establishment of a gateway review team for the project.

The NRWDI will use this critical and national infrastructure project as a catalyst and an enabler to forge durable partnerships and social compacts among 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.

4. 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 safety standards and regulatory practices for nuclear-related projects and operations.

This Programme plays a key role in supporting 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 NRWDI's application for the Nuclear Installation Licence to manage and operate the Vaalputs National Radioactive Waste Disposal Facility was supported by all the safety case documents, which included the Integrated Management System documents submitted by the NRWDI for the license application, which was completed and reviewed by the National Nuclear Regulator (NNR) in December 2020.

The public participation process on the 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. In this regard, it is noteworthy that none of the respondents in the public participation process opposed the NRWDI's nuclear installation license 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 the NRWDI is operationally efficient, cost-effective, 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 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 thereof.
- ii. **Risk Management is responsible for coordinating and supporting the overall** institutional risk management process ensuring that risks are identified and managed so that it does 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** plays an important role in supporting the effectiveness of the board by monitoring that board policy and procedures are followed. The Secretariat also coordinates the timely completion and dispatch of board agenda and all other documents that are tabled before the Board.
- v. **Communications and stakeholder Relations** aims to remove existing 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 taking into consideration the procurement legislation and the principles of good corporate governance.
- vii. **Corporate Services** -The Corporate Services sub-programme primarily 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 accommodation and the maintenance thereof.

The programme and sub-programmes contribute to the Strategic Plan outcome "Effective, Efficient and Responsive NRWDI" and supports the MTSF Priority I which is "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, empowerment of youth and persons with disability.

The programme performance against the 2021-2022 APP outcome targets is depicted in the following table:

Programme I - Actual performance against predetermined objectives

Outcomes	Outputs	Output Indicators	Actual Achievement 2018/19	Actual Achievement 2019/20	Actual Achievement 2020/21	Planned Target 2021/22	Actual Target 2021/22	Reason for Variance
Effective, efficient and Responsive NRWDI	Implemented finance strategic plan	Percentage implementation of 5-year finance strategic plan	N/A	N/A	80% implementation of year 1 plan of finance strategic plan	100% implementation of year 2 plan of finance strategic plan	100% implementation of year 2 plan of finance strategic plan	None
	Implemented human capital strategic plan	Percentage implementation of 5-year human capital strategic plan	N/A	N/A	80% implementation of year 1 plan of human capital strategic plan	80% implementation of year 2 plan of human capital strategic plan	86% implementation of year 2 plan of human capital strategic plan	None
	Unqualified audit report	Unqualified audit report	N/A	N/A	Unqualified audit report for 2019/20	Unqualified audit report for 2020/21	Unqualified audit report for 2020/21 received	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

In assessing the achievement of the outputs in comparison to the planned targets, the public entity must consider the linkages and the relation to the resources available to the public entity, in particular, the financial resources. Therefore, the following financial information should be presented. The financial information must agree to the information in the annual financial statements.

PROGRAMME I	2021/2022			2020/2021		
	Budget	Actual Expenditure	(Over)/Under Expenditure	Budget	Actual Expenditure	(Over)/Under Expenditure
Programme/activity/objective	R'000	R'000	R'000	R'000	R'000	R'000
Administration	34,173	30,475	3,698	35,083	27,952	7,131
Total	34,173	30,475	3,698	35,083	27,952	7,131

3.2 Programme 2: Radioactive Waste Disposal Operations

Purpose of Programme

The purpose of the programme is to provide radioactive waste disposal and related services on a national basis that is 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 future involvement in nuclear programmes.

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

The following activities are inherently part of the Radioactive Waste 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 2021-2022 APP outcome targets is depicted in the following table:

Outcomes	Outputs	Output Indicators	Actual Achievement 2018/19	Actual Achievement 2019/20	Actual Achievement 2020/21	Planned Target 2021/22	Actual Target 2021/22	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	88%	80%	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. The state of disaster has been lifted and the SHEQ audit will take place in the new year

Outcomes	Outputs	Output Indicators	Actual Achievement 2018/19	Actual Achievement 2019/20	Actual Achievement 2020/21	Planned Target 2021/22	Actual Target 2021/22	Reason for Variance
		Number of Public Safety Information Forum (PSIF) meetings held with communities surrounding Vaalputs	4	4	2	4 Public Safety Information Forum (PSIF) meetings held with communities surrounding Vaalputs	<ul style="list-style-type: none"> 4 Physical meetings were not held due to the COVID pandemic. The technical indicator descriptions, however make provision for the information to be shared using digital platforms if physical meetings cannot be held. <p>As an alternative the information that would have been discussed at the meetings have been made available to the community on the NR-WDI website for the 4 respective quarters.</p>	N/A
		Percentage acceptance rate for the disposal of waste packages received from waste generators for disposal	N/A	N/A	95%	100% acceptance rate for the disposal of waste packages received from waste generators for disposal	100%	N/A

Strategy to overcome areas of under performance

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

Changes to planned targets

Subsequently, the public entity did not change any targets for this programme during the year.

Linking performance with budgets

In assessing the achievement of the outputs in comparison to the planned targets, the public entity must consider the linkages and the relation to the resources available to the public entity, in particular, the financial resources. Therefore, the following financial information should be presented. The financial information must agree to the information in the annual financial statements.

Programme 2 - Actual performance against predetermined objectives

PROGRAMME 2 Programme/activity/ objective	2021/2022			2020/2021		
	Budget	Actual Expenditure	(Over)/Under Expenditure	Budget	Actual Expenditure	(Over)/Under Expenditure
	R'000	R'000	R'000	R'000	R'000	R'000
Radioactive Waste Disposal Operations	2,774	2,548	226	2,690	2,422	268
Total	2,774	2,548	226	2,690	2,422	268

3.3 Programme 3: Science, Engineering and Technology

Purpose of Programme

The purpose of Programme 3 is to develop and implement technologies for all classes of radioactive waste that currently do not have disposal and related infrastructure for the safe storage and disposal of spent nuclear fuel.

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

- To investigate the need for any new radioactive waste disposal facilities and to site, design and construct new facilities as required;
- To define and conduct research and development

aimed at finding solutions for long-term radioactive waste management; and,

- To maintain a national radioactive waste database and publish a report on the inventory and location of all radioactive waste in the Republic as a frequency determined by the Board of Directors

The programmes contribute 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 2021-2022 APP outcome targets is depicted the following table:

Programme 3 - Actual performance against predetermined objectives

Outcomes	Outputs	Output Indicators	Actual Achievement 2018/19	Actual Achievement 2019/20	Actual Achievement 2020/21	Planned Target 2021/22	Actual Target 2021/22	Reason for Variance
Centralised storage of spent nuclear fuel	CISF established	Percentage of CISF project plan implemented	N/A	N/A	20%	40% of CISF project plan implemented	75% of 40% of the CISF project plan implemented	The Gateway Review needs to take place prior to the Feasibility Report being drafted

Strategy to overcome areas of underperformance

Public entity met all the targets set out for this programme.

Changes to planned targets

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

Linking performance with budgets

In assessing the achievement of the outputs in comparison to the planned targets, the public entity must consider the linkages and the relation to the resources available to the public entity, in particular the financial resources. Therefore, the following financial information should be presented. The financial information must agree to the information in the annual financial statements.

PROGRAMME 3 Programme/activity/ objective	2021/2022			2020/2021		
	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 & Technology	5,232	4,860	372	5,127	4,736	391
Total	5,232	4,860	372	5,127	4,736	391

3.4 Programme 4: Radioactive Waste Compliance Management

Purpose of Programme

The purpose of Programme 4 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 provides a support function to the NRWDI in terms of developing and ensuring compliance with the nuclear installation licence, including required safety, health, environment and quality management systems.

The following activities are inherently 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; and
- Developing criteria for accepting and disposing radioactive waste in compliance with applicable regulatory safety requirements and any other technical and operational requirements.

The programme and sub-programmes contribute to the Strategic Plan outcomes; namely, "Compliance with applicable legislative and regulatory requirements", "Safe disposal of all classes of radioactive waste", "Centralised storage of spent nuclear fuel" and it supports the MTSF's Priority 1, which is a "Capable, Ethical and Developmental State"

The programme performance against the 2021-2022 APP outcome targets is depicted in the following table:

Programme 4 - Actual performance against predetermined objectives

Outcomes	Outputs	Output Indicators	Actual Achievement 2018/19	Actual Achievement 2019/20	Actual Achievement 2020/21	Planned Target 2021/22	Actual Target 2021/22	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	80% of the annual project plan for implementation of the Radiation Protection Programme executed	80% of the annual project plan for implementation of the Radiation Protection Programme executed	89% of the annual project plan for implementation of the Radiation Protection Programme executed	It is a continual improvement process that the SHEQ Management System and Radiation Protection documents are both developed and reviewed during the licence development process. This implies that additional work needs to be done that was not initially foreseen.

Outcomes	Outputs	Output Indicators	Actual Achievement 2018/19	Actual Achievement 2019/20	Actual Achievement 2020/21	Planned Target 2021/22	Actual Target 2021/22	Reason for Variance
		Percentage implementation of a Quality Management System for NRWDI that is ISO 9001 compliant	N/A	N/A	80% of the annual project plan for implementation of a ISO 9001 compliant Quality Management System executed	80% of the annual project plan for implementation of a ISO 9001 compliant Quality Management System executed	120% of the annual project plan for implementation of an ISO 9001 compliant Quality Management System executed	
		Percentage implementation of an ISO compliant SHE Management System for NRWDI	N/A	N/A	80% of the annual project plan for implementation of a ISO SHE Management System executed	80% of the annual project plan for implementation of a ISO SHE Management System executed	125% of the annual project plan for implementation of an ISO SHE Management System executed	

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

In assessing the achievement of the outputs in comparison to the planned targets, the public entity must consider the linkages and the relation to the resources available to the public entity, in particular the financial resources. Therefore, the following financial information should be presented. The financial information must agree to the information in the annual financial statements.

PROGRAMME 4 Programme/activity/ objective	2021/2022			2020/2021		
	Budget	Actual Expenditure	(Over)/Under Expenditure	Budget	Actual Expenditure	(Over)/Under Expenditure
	R'000	R'000	R'000	R'000	R'000	R'000
Radioactive Waste Compliance Management	8,712	9,322	(610)	8,591	10,923	(2,332)
Total	8,712	9,322	(610)	8,591	10,923	(2,332)

Reporting on the Institutional Response to the COVID-19 Pandemic

There has been great progress by the NRWDI and its team in terms of responding to the global pandemic. Right at the outset in March 2020 when the country went into its first lockdown, a COVID task team was appointed which constantly provided the entity with real-time data and statistics regarding the infection rate and deaths. The COVID-19 Task Team is very active in having regular meetings to assess the risks associated and devising mitigation strategies in line with Government's regulations and guidelines. The entity also responded by having the appropriate policies and procedures in place as per the

Disaster Management regulations that were gazetted when needed. A Return to Workplace Plan was also completed and approved, which made provision for staff to return to the workplace whilst ensuring that there are no risks to the employees.

The NRWDI Employee Assistance Programme (EAP) was officially launched on the 10th of February 2021 and is meant to assist employees by providing access to counselling and referrals to appropriate professional resources for help in resolving problems relating to psychological health and physical well-being. The stress brought forth by the Covid-19 pandemic will also be one of the key focus areas.

4. REVENUE COLLECTION

Sources of revenue	2021/2022			2020/2021		
	Estimate	Actual Amount Collected	(Over)/Under Expenditure	Estimate	Actual Amount Collected	(Over)/Under Expenditure
	R'000	R'000	R'000	R'000	R'000	R'000
Government Grant	49,166	49,166	0	49,397	49,397	0
Other Income	1,725	1,299	426	2,094	1,184	910
Total	50,891	50,581	426	51,491	50,581	910

The main source of revenue for the NRWDI is the government grant of R49,166 million (2020: R49,397 million). Other revenue comprises rendering of services, other income 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 is a set of principles that embody systems and processes by which public entities are directed, controlled and held to account.

The NRWDI is classified as a Schedule 3A public entity in terms of the Public Finance Management Act, 1 of 1999 ('PFMA'), and is committed to the implementation of all good Corporate Governance principles.

Ensuring the implementation of good Corporate Governance principles within the organisation is the responsibility of the Parliamentary Portfolio Committee on Mineral Resources and Energy, the Accounting Officer, the Accounting Authority, and the Executive Authority.

2. PORTFOLIO COMMITTEE

The Parliamentary Portfolio Committee on Mineral Resources and Energy also performs oversight of the NRWDI and the implementation of good Corporate Governance principles.

In accordance therewith, during the 2021/22 financial year, the NRWDI appeared before the Portfolio Committee on Mineral Resources and Energy on a number of occasions to present, amongst other things, its Strategic Plan, Annual Performance Plan and Annual Report.

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 the 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 2021/22 financial year, the NRWDI remained fully compliant with the above-mentioned statutory reporting requirements.

The NRWDI's Quarterly Performance Reports outline the NRWDI's performance against the 2021/22 Annual Performance Plan targets. The NRWDI's financial performance or position as well as the state of the NRWDI's governance environment, including compliance and risk management, was 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 is the Accounting Authority, as contemplated in Section 49(2)(a) of the PFMA.

The Board retains full and effective control over the NRWDI and reaffirms its commitment to achieving and maintaining the highest standards of Corporate Governance. It recognises that practices and procedures can always be improved and will therefore continually work to review the NRWDI's own norms, standards, policies and procedures.

The 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 Code and the PFMA, which are integral parts of the NRWDI's objectives.

In light thereof, and in compliance with the NRWDI Act, read with the relevant portions of the PFMA, all NRWDI Board Members are required to declare their interests, if any, to the Minister of Mineral Resources and Energy upon appointment, and on an annual basis thereafter. In addition thereto, the Board twice conducts assessments of its collective and individual performance on an annual basis.

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 Code and the agreed Shareholders' Compact. It is the role of the Board to ensure that the NRWDI complies with all relevant laws, regulations and codes of practice.

The roles and responsibilities of the Board

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

- Approves the 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 the NRWDI. They do this by ensuring adherence to legal standards of conduct, by seeking independent advice in connection with their duties, and by disclosing real or perceived conflict-related matters to the Board.

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, reports 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, including incentive schemes for management; 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 Code.

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 in terms of Section 7 of the National Radioactive Waste Disposal Act for a period of three years. The Board is comprised as follows: —

- a. an official of the Department appointed by the Minister of Mineral Resources and Energy;
- b. an official nominated by the Department of Environment, Forestry and Fisheries;
- c. an official nominated by the Department of Water and Sanitation;
- d. an official nominated by the Department of Health;
- e. no more than five other Directors;
- f. the Chief Executive Officer of the NRWDI; and
- g. the Chief Financial Officer of the 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 nuclear matters of a technical nature related to the legislative mandate of the organisation.

The Board has established the following Committees to assist it to execute its mandate: —

1. Human Resources, Social and Ethics Committee;
2. Technical and Operations Committee; and
3. Audit and Risk Committee.

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

The HR-SEC Committee meets quarterly to consider matters such as the remuneration policy, the remuneration of executive management, succession planning, organisational capacitation, incentive schemes and all other pertinent human resource matters. This Committee is also responsible for advising the Board on social and ethical issues, health, safety and security as well as environmental matters. It reports to the Board in line with the King Code requirements.

Technical and Operations Committee (TOC)

The duties and functions of the TOC includes, amongst other things: —

- i. 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,
- ii. to review and make recommendations to the Board of Directors on any other technical issues 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 the NRWDI's financial statements, the extent of compliance with 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.

The table below illustrates the composition of the NRWDI Board during the 2021/22 financial year.

#	Legislative Requirement	Name	Term of office	Area of Expertise	Current Employment	Qualifications	Current Directorships
1	An Official of the DMRE	Ms. Lerato Makgae	11 Aug 2020 – 10 Aug 2023	Nuclear Policy	Chief Director: National Liaison Officer	MSc-Applied Radiation Science and Technology	None
		Mr Thabiso Pie (Alternate DMRE rep.)	20 Nov 2021 – 19 Nov 2024	Nuclear Safety	Director: Nuclear Safety, Liabilities and Emergency Management	BSc. (Physics and Computational Physics); B. Med. Sc. Honours (Medical Physics); BSc. Honours (Physics); Post-Graduate Diploma in Science: Radiation Protection; MBA	None
2	An Official of the DFFE	Ms Mamogala Musenekwe	20 Nov 2021 – 19 Nov 2024	Chemicals / Waste Management	DDG: Chemicals and Waste Management	BSc. (Hons) Chemistry; B.Sc. Chemistry & Physics; Executive Development Programme	None
		Mr Obed Baloyi (Alternate FFE rep.)	20 Nov 2021 – 19 Nov 2024	Chemicals / Waste Management	Chief Director: Chemicals Management	BA Honours; Post Graduate Certificate in Management; Diploma in Project Management	None
3	An Official of the DoH	Ms Aneliswa Cele	20 Nov 2021 – 19 Nov 2024	Environmental Health	Acting DDG: Primary Health Care (Chief Director: Environmental Health and Port Health Services)	National Diploma in Environmental Health Science; Bachelor of Technology Degree in Environmental Health Science; Master of Public Health; Master of Philosophy: Development Policy and Practice	None
4	An Official of the DWS	Ms Tovhowani Nyamande	22 Feb 2022 – 21 Feb 2025		Director: Source Directed Studies	PHD (Agriculture & Environmental Sciences); MSc: Integrated Water Resource Management; BSc (Honours): Botany; BSc: Education	None

#	Legislative Requirement	Name	Term of office	Area of Expertise	Current Employment	Qualifications	Current Directorships
		Mr Jabulani Maluleke (Alternate DWS rep.)	22 Feb 2022 – 21 Feb 2025		Director: Environmental Impact Monitoring	Doctor of Business Administration (current); Masters in Management; Masters in Business Administration; Post Graduate Diploma Business Administration; BSc: Zoological Sciences	None
5	Non – Executive Directors	Ms Thandeka Zungu (Chairperson)	11 Aug 2020 – 10 Aug 2023	Leadership, Risk Management, Auditing	Retired	B Com; Post-graduate Diploma in Education; Public Sector Governance	None
6		Mr Mogwera Khoathane (Deputy Chairperson)	11 Aug 2020 – 10 Aug 2023	Nuclear Radiation Protection	Consulting	BSc Hons in Physics; Management Development Programme; Postgraduate Diploma in Business Management; MBL	Saraconsa (Pty) Ltd, Zimkile Consulting (Pty) Ltd, Lekgotla Investment Trust
7		Ms Leanda-Marsha Mtshali	11 Aug 2020 – 10 Aug 2023	Legal	Law firm	LLB; Advanced Corporate Law I & II; Postgraduate Diploma in Corporate Law	CIPC Audit Committee Member, Companies Tribunal Audit & Risk Committee Member, Ports Regulator of South Africa Board Member, Tribunal Member, South African Human Rights Commission Audit & Risk Committee Member
8		Dr Kgaugelo Chiloane	11 Aug 2020 – 10 Aug 2023	Environmental Safety	Consulting	Bachelor of Science in Chemistry; BSc Honours in Chemistry; MSc in Environmental Science; PhD in Environmental Science	KEC Environmental Solutions (Pty) Ltd, Adaptation Institute of Southern Africa, Advisory Panel Member of SA Centre of Nuclear Safety and Security

#	Legislative Requirement	Name	Term of office	Area of Expertise	Current Employment	Qualifications	Current Directorships
9		Dr Cornelius Ruiters	11 Aug 2020 – 10 Aug 2023	Large Infrastructure and Project Management	Consulting	BSc (Hons); MSc; PhD (Natural Science); Graduate Diploma in Engineering; MEng (Civil Engineering); MBA; PhD (Civil Engineering)	CRE Consulting (Pty) Ltd
10	Chief Executive Officer	Dr Margaret Mkhosi	3 years	Leadership, Nuclear	NRWDI CEO	PhD in Nuclear Engineering; MSc in Nuclear Engineering; MSc Physics; BSc Honours in Physics; BSc	None
11	Chief Financial Officer	Mr Justin Daniel	Linked to CFO position	Finance, Asset Management	NRWDI CFO	Financial Management, Financial Accounting, Supply Chain Management, Asset Management	None

The composition of the Board, the composition of the relevant Board Committees and the attendance record of all members in those various fora for the 2021/22 financial year, is illustrated in the table below. Please note that the numbers below include ordinary meetings, special meetings and closed meetings attended only by the Non-Executive Directors.

	Board	Audit and Risk Committee	Human Resource, Social and Ethics Committee	Technical and Operations Committee
No. of meetings held	12	6	5	6
Ms Thandeka Zungu ¹	11 of 12	2 of 6	2 of 5	2 of 6
Mr Mogwera Khoathane ²	11 of 12	5 of 6	N/A	6 of 6
Dr Kgaugelo Chiloane ³	10 of 12	5 of 6	5 of 5	N/A
Ms Leanda-Marsha Mtshali ⁴	12 of 12	6 of 6	5 of 5	N/A
Dr Cornelius Ruiters	11 of 12	N/A	4 of 5	6 of 6
Ms Lerato Makgae	8 of 12	N/A	N/A	4 of 6
Mr Thabiso Pie ⁵	3 of 3	N/A	0 of 1	1 of 1
Ms Mamogala Musekene ⁶	2 of 3	N/A	N/A	2 of 2
Mr Obed Baloyi ⁷	1 of 3	N/A	N/A	N/A
Ms Aneliswa Cele ⁸	2 of 3	0 of 1	N/A	N/A
Ms Tovhowani Nyamande ⁹	0 of 1	N/A	N/A	N/A
Mr Jabulani Maluleke ¹⁰	0 of 1	N/A	N/A	N/A
Mr Moerane Maimane ¹¹	N/A	N/A	4 of 4	N/A
Mr Alan Carolissen ¹²	9 of 9	5 of 5	3 of 3	3 of 3
Dr Margaret Mkhosi ¹³	3 of 3	1 of 1	1 of 1	2 of 2
Mr Justin Daniel	9 of 9	6 of 6	4 of 4	4 of 6

¹ Board Chairperson has a standing invitation to attend any/all Committee meetings

² Chairperson of the Technical and Operations Committee

³ Chairperson of the Human Resources, Social and Ethics Committee

⁴ Chairperson of the Audit and Risk Committee

⁵ Appointed on 20 Nov 2021

⁶ Appointed on 20 Nov 2021

⁷ Appointed on 20 Nov 2021

⁸ Appointed on 20 Nov 2021

⁹ Appointed 22 Feb 2022

¹⁰ Appointed 22 Feb 2022

¹¹ Appointed on 29 June 2021 as an Independent External Co-Opted Expert Advisor to the HR-SEC

¹² Acting Chief Executive Officer from 1 April 2021 to 30 October 2021

¹³ Appointed as Chief Executive Officer from 1 Nov 2021

5. RISK MANAGEMENT

Risk Management is the process of identifying, assessing and controlling threats to the NRWDI's resources and operations. These risks stem from a variety of sources including the financial uncertainties, legal liabilities, technology issues, strategic management errors, accidents, fraud and corruption as well as natural disasters. Risk Management is therefore an important process because it empowers a business with the necessary tools so that it can adequately identify and deal with the potential risks. Once a risk has been identified, it is easy to mitigate it.

Efforts have been undertaken to ensure that risk management is an integral part of the NRWDI's business and that it is ingrained in its culture, strategy and day-to-day operations, becoming the key focus when decisions are made.

For reporting purposes, risk workshops have been held to identify both the strategic and the operational risks and the progress in terms of the mitigating risks. To this end, treatments are reported on a quarterly basis. The possibility of incorporating risk management into the compacts of staff must be explored since this has the potential of leading to operational excellence.

It must, however, be noted that the Audit and Risk Committee as well as the Board have oversight of Risk Management in the NRWDI. The greatest challenge that the Board faces is in navigating organisational growth whilst protecting the organisation from unnecessary risk so that it does not impact negatively on the business operations.

6. INTERNAL CONTROL UNIT

Internal controls are the mechanisms, rules, and procedures implemented by a company 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 Audit and Risk Committee, which approves the scope of the work. Significant findings are reported to the Audit and Risk Committee. The effectiveness of the NRWDI's internal controls bears testimony to the unqualified audits that the NRWDI has been receiving in the past years.

7. COMPLIANCE WITH LAWS AND REGULATIONS

The Board, with the assistance of the Audit and Risk Committee, ensures that the 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 related cases
- Reviewing the internal auditor's report on the scope of compliance reviews, and the resolution of findings and the 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 the NRWDI's Management Team meets its obligations
- Monitoring developments and changes in the legislation and regulations that relate to the NRWDI's operations
- Monitoring and reviewing the extent to which the NRWDI complies with such legislation.

8. FRAUD AND CORRUPTION

Corruption has taken a great toll on our society and on our economy. The NRWDI acknowledges that all business environments are susceptible to the risk of fraud. In view of the aforementioned, the NRWDI has adopted a Code of Business Ethics and Business Conduct Policy articulating the values and acceptable ethical standards to which all persons associated with the NRWDI are required to adhere to.

A Fraud Prevention Plan has been developed as a result of 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 the NRWDI's policy of zero tolerance towards fraud and corruption as well as management's commitment to combating all forms of fraud inherent in the 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 Board Audit and Risk Committee and spells out responsibilities and ownership with respect to assisting the 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. The costs of procuring a Whistleblowing hotline are enormous, therefore the NRWDI forged a

partnership with the Public Service Commission to utilise their National Anti-Corruption Hotline on a "no fee" basis. The partnership agreement is a win-win relationship for both parties since the NRWDI risked the possibility of incurring exorbitant costs if a private hotline had to be sourced whilst the Public Service Commission is mandated as the custodian of good governance in the country. Allegations of fraud, corruption and misconduct will be reported via the National Corruption Hotline. The allegation will be reported to the CEO in the case of an employee and to the Chairperson of the Audit and Risk Committee in the case of the CEO.

Whistle-blowers are protected in accordance with the Protected Disclosures Act 26 of 2000. During the period under review, no cases of fraud and corruption have been reported.

9. MINIMISING CONFLICT OF INTEREST

A conflict of interest occurs when an individual's personal interests (family, friendships, financial or social factors) could compromise his or her judgement, decisions or actions in the workplace. In order to minimise the conflict of interest, the following mechanisms have been implemented:

- Board, Executive and senior management are required to disclose their financial interest annually as required by the DMRE in terms of the financial disclosure frameworks put in place by the DPSA;
- All the NRWDI staff are required to disclose their financial interests annually;
- Consequence management shall be implemented should there be non-compliance;
- A conflict of disclosure template is a requirement that needs to be signed by all individuals 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 the 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 with their relationships to others.

Compliance with the Code of Conduct is expected to enhance professionalism and help to 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 during the period under review.

11. HEALTH SAFETY AND ENVIRONMENTAL ISSUES

The NRWDI recognises that it needs to embrace and institutionalise a robust safety culture in executing its mandate. It is therefore imperative and non-negotiable that overriding priority be given to safety as part of operational activities and safety culture.

The NRWDI established a SHEQ Committee in terms of section 19 of the Occupational Health and Safety Act (No. 85 of 1993) in which safety, health, environment, quality and licensing related matters within the NRWDI organisation are discussed and actioned. The NRWDI further implements a Behavioural Based Safety (BBS) system to foster a culture of safety awareness amongst all staff through continual assessment and improvement of safety in the workplace.

For the period under review, the NRWDI staff have 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 have been reported.

12. BOARD SECRETARY

The Board Secretary's role is to ensure that legislation, Board processes, Board Charters 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 company Secretary and all Directors are entitled to seek independent professional advice at the expense of the NRWDI, related to the performance of their functions, subject to the approval of the Board Chairperson.

The Board Secretary is responsible for coordinating, amongst other things, all Board operations and activities, the Board induction programme for all newly appointed Directors, the Annual Board Evaluation processes, The Board Development Programme and the Annual Financial Disclosure process of Board members.

13. SOCIAL RESPONSIBILITY

The NRWDI as a good corporate citizen ensures that corporate social responsibility is integrated in its operating model and has embraced the CSI initiatives to make a positive impact on the communities in which it is operating, the environment, Health and Science, Technology, Engineering

and Mathematics (STEM) education of the country thereby contributing to social cohesion, poverty alleviation and skills development. The NRWDI's specific focus is on women, the youth and people with disabilities.

15. B-BBEE COMPLIANCE PERFORMANCE INFORMATION

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

Has the Department / 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 (include a discussion on your response and indicate what measures have been taken to comply)
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?	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



INTRODUCTION

The NRWDI's success as a national radioactive waste management and disposal entity depends on the quality of its human resources. The NRWDI is therefore only as good as its people, and we believe that this saying is true for all organisations. To this end, the NRWDI has to maintain a team of individuals who are highly skilled, knowledgeable and committed.

It is widely acknowledged that employees are most productive when the working environment reflects a caring and supportive management culture. The Human Resources (HR) function is an important enabler in ensuring that employees remain motivated, focused and committed. The HR value chain ensures that HR processes, activities and practices lead to the achievement of organisational goals. The HR team has thus been extremely committed to ensuring that our people focus on achieving targets as set out in the performance plans of the Institute, and prides itself in adding value and contributing to the overall growth of the organisation.

This section of the report highlights progress on the priorities for the year under review, as set out in the NRWDI 2020 - 2023 human capital strategic plan.

OVERVIEW OF HR MATTERS AT THE PUBLIC ENTITY

The HR function delivers a suite of operational, tactical, and strategic services that seek to support the achievement of the strategic objectives of the organisation. Whilst it is critical to have a people-focused approach, the HR function is also driven by key 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, driven by excellence.

The strategic thrust is premised on the following: —

- Ensuring strong human capital governance
- Attention to organisational culture
- Strengthening of leadership/ managerial capacity
- Ensuring appropriate talent management, performance management and development, measurement and improvement
- Employee reward and recognition
- Elevation of HR capability to being a trusted advisor and strategic partner;
- Fostering of positive employee/manager/labour relations.

SET HR PRIORITIES FOR THE YEAR UNDER REVIEW AND THE IMPACT OF THESE PRIORITIES

During the reporting period, the NRWDI focused on a number of HR priorities of which its impact has enhanced organisational efficacy.. The priorities are highlighted below:

Recruitment and selection

During the period under review, the priority was to ensure that all strategic vacancies were filled. To this extent, the NRWDI recruited a new Chief Executive Officer (CEO) to fill the vacant CEO position. The CEO is charged with strategically managing and coordinating the activities of the Institute and is responsible for its day-to-day business.

All Executive roles of the Institute are now accordingly filled.

Training and development

The NRWDI provides equal opportunities for all staff members for training and development, which includes short courses and study assistance programmes through the company's awarding of staff bursaries.

Job grading and evaluation

An organisation-wide job grading and evaluation exercise, including remuneration benchmarking on all of the grade levels, and the development of a remuneration / pay-scale structure with a method of salary progressions within salary bands was concluded.

Leadership / Management Capacity

Leadership coaching was accomplished during the period under review as a means to developing talents and competencies by creating value through people, strategies and capabilities.

Knowledge Management

The Knowledge Management initiatives of the organisation should support the organisational strategy. The prospects for growth emanating from the nuclear new build and the strategic role the NRWDI should play requires the organisation to strengthen its capabilities for nuclear knowledge management and preservation. A NRWDI knowledge management policy is in place to enhance knowledge management practices, and this strategic component of knowledge preservation in a rich repository of internal and external knowledge networks.

Employee Health and Wellness

Managing employee health and wellness promotes positive psychological well-being and general physical health.

Employees are in a better position to perform, and this initiative helps to improve employee morale. The NRWDI supports the well-being of the staff and takes pride in the development of this programme that has proven to balance the pressures of employees' work and home environment.

Employee Engagement

The HR sessions are continually held on a wide range of subjects for promoting employee engagement, awareness and change initiatives.

KEY ACHIEVEMENTS

- An audit assessment from the Auditor General with no findings was amongst our key achievements.
- The Board's approval of Talent, Succession Management and Staff Retention Policy.

HR CHALLENGES FACED BY THE PUBLIC ENTITY

The NRWDI has had many challenges from inception particularly due to budgetary constraints but has stood to forge ahead against all odds with the collaboration of its internal Programmes. The key challenge faced during the period under review continues to be that of adjusting to the COVID-19 impacts on employee engagement and productivity.

HR CHALLENGES FACED BY THE PUBLIC ENTITY

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)	No. of Employees	Average personnel cost per employee (R'000)
Administration	30 404	22 227	47%	23	966
Disposal Operations	2 614	2 583	5%	1	2 583
Science, Engineering & Technology	4 929	4 876	10%	4	1 219
Compliance Management	9 375	8 167	17%	6	1 361
Total	47 322	37 853	80%	34	6 130

FUTURE HR PLANS/GOALS

The following are planned future HR plans:

- Continual review of HR policies
- Organisational Development Interventions
- Integration with Vaalputs operations with all associated HR processes
- Implementation of Change Management Plan for integration with Vaalputs operations.

We are excited about the future HR initiatives planned for the upcoming financial year. We are passionate about what we do and are continually striving for new and innovative ways in the HR services we deliver. We are a team committed to the mission of the NRWDI and we believe in taking an active role in driving an HR agenda that supports the organisation in its quest to be an excellent provider of radioactive waste management and disposal services nationally.

Personnel cost by employment level

Level	Personnel Expenditure (R'000)	% of Personnel Expenditure to Total Personnel Cost (R'000)	No. of employees	Average personnel cost per employee (R'000)
Top management	11 099	29%	6	1 850
Senior management	1 915	5%	1	1 915
Professionally qualified & experienced specialists & middle management	14 397	38%	12	1 200
Skilled technical & academically qualified workers, junior management, supervisors, foremen, and superintendents	10 144	27%	13	780
Unskilled and defined decision making	298	1%	2	149
Total	37 853	100%	34	5 894

Training costs

Programme	Personnel Expenditure (R'000)	Training Expenditure	Training Expenditure as a % of Personnel Cost	No. of Employees Trained	Avg Training Cost per Employee
Administration	22 227	341	0,90%	18	19
Disposal Operations	2 583	-	-		
Science Engineering & Technology	4 876	-	-		
Compliance Management	8 167	16	0,04%	1	16
Total	37 853	357	0,94%	19	19

Employment and vacancies

Level	2020/2021 No. of Employees	2021/2022 Approved Posts	2021/2022 No. of Employees	2021/2022 Vacancies	% of vacancies
Top management	5	6	6	1	16,67%
Senior management	1	1	1	0	
Professionally qualified & experienced specialists and middle management	13	12	12	1	8,33%
Skilled technical & academically qualified workers, junior management, supervisors, foremen, and superintendents	13	13	13	0	
Semi-skilled and discretionary decision making	0	0	0	0	
Unskilled and defined decision making	2	2	2	1	50,00%
Total	34	34	34	3	8,82%

Employment changes

Level	Employment at beginning of period	Appointments	Terminations	Employment at end of the period
Top management	5	0	1	6
Senior management	1	0	0	1
Professionally qualified & experienced specialists and middle management	12	0	1	11
Skilled technical & academically qualified workers, junior management, supervisors, foremen, and superintendents	13	0	0	13
Semi-skilled and discretionary decision making	0	0	0	0
Unskilled and defined decision making	2	1	1	1
Total	33	1	3	32

Reasons for staff leaving

Reason	Number	% of total no. of staff leaving
Death	0	
Resignation	1	33,33%
Dismissal	0	
Retirement	1	33,33%
Ill health	0	
Expiry of contract	1	33,33%
Other	None	
Total	3	

Staff with disabilities

Disabled Staff			
Male	Female	Total	% of Staff
2	0	2	6.25%

Employment Equity Status across different job levels

Occupational Levels	Male				Female				Total
	A	C	I	W	A	C	I	W	
Top Management	2	1	1	1	1	0	0	0	6
Senior Management	1	0	0	0	0	0	0	0	1
Professionally qualified and experienced specialists and middle-management	2	0	0	1	6	0	2	0	11
Skilled technical and academically qualified workers, junior management, supervisors	4	0	0	0	9	0	0	0	13
Unskilled	0	0	0	0	1	0	0	0	1
Total Permanent	7	0	0	1	15	0	2	0	25
Total Fixed Term Contract	2	1	1	1	2	0	0	0	7
TOTAL	9	1	1	1	18	0	2	0	32

Labour Relations: Disciplinary Action

Nature of Disciplinary Action	Number
Verbal warning	0
Written warning	0
Final written warning	0
Dismissal	0

Overall Workforce Profile as at 31 March 2022

Occupational Levels	Male				Female				Total
	A	C	I	W	A	C	I	W	
Top Management	2	1	1	1	1	0	0	0	6
Senior Management	1	0	0	0	0	0	0	0	1
Professionally qualified and experienced specialists and middle-management	2	0	0	1	6	0	2	0	11
Skilled technical and academically qualified workers, junior management, supervisors	4	0	0	0	9	0	0	0	13
Unskilled	0	0	0	0	2	0	0	0	1
Total Permanent	7	0	0	1	15	0	2	0	25
Total Fixed Term Contract	2	1	1	1	2	0	0	0	6
TOTAL	9	1	1	1	18	0	2	0	32

Staff Complement by Employment Equity (EE) Group

Group	Number of Employees	Percentage
African	27	79%
Coloured	1	3%
Indian	4	12%
White	2	6%
TOTAL	34	100%

Gender Split

Category	Number of Employees	Percentage
Males	13	38%
Females	21	62%
TOTAL	34	100%

Part E

AUDITED ANNUAL FINANCIAL STATEMENTS



GENERAL INFORMATION

COUNTRY OF INCORPORATION AND DOMICILE	South Africa
DIRECTORS	Ms Thandeka Zungu (<i>Board Chairperson</i>) Mr Mogwera Khoathane (<i>Deputy Board Chairperson</i>) Ms Leanda – Marsha Mtshali Dr Kgaugelo Chiloane Dr Cornelius Ruiters Ms Lerato Makgae (<i>DMRE representative</i>) Mr Thabiso Pie (<i>DMRE alternate representative</i>) Ms Mamogala Museneke (<i>DFFE representative</i>) Mr Obed Baloyi (<i>DFFE alternate representative</i>) Ms Aneliswa Cele (<i>DOH representative</i>) Mr Alan Carolissen (<i>Acting CEO - 01 April 2021 to 31 October 2021</i>) Dr Margaret Mkhosi (<i>CEO - Appointed 01 November 2021</i>) Mr Justin Daniel (<i>CFO</i>)
POSTAL ADDRESS	Private Bag XI Pretoria Gauteng Province 0001
CONTROLLING ENTITY	Department of Minerals Resources and Energy
BANKERS	ABSA Bank
AUDITORS	Auditor-General SA Registered Auditors
REGISTERED OFFICE	Building VX Elias Motsoaledi Street Extension (Church Street West) Brits Magisterial District, Madibeng Municipality North West Province 0240

REPORT OF THE AUDITOR-GENERAL

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

REPORT ON THE FINANCIAL STATEMENTS

1. I have reviewed the financial statements of the National Radioactive Waste Disposal Institute set out on pages 59 to 85, which comprise the statement of the financial position as of 31 March 2022 and the statement of financial performance, statement of changes in net assets, the cash flow statement and statement of comparison of budget and actual amounts for the year then ended as well as notes to the financial statements, including a summary of significant accounting policies.

Conclusion

2. Based on my review, nothing has come to my attention that causes me to believe that the financial statements do not present fairly, in all material respects, the financial position of the National Radioactive Waste Disposal Institute as of 31 March 2022, and its financial performance and cash flows for the year then ended in accordance with Generally Recognised Accounting Practice (GRAP) and the requirements of the Public Finance Management Act 1 of 1999 (PFMA).

Responsibilities of the accounting authority for the financial statements

3. 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.
4. 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 has no realistic alternative but to do so.

Auditor-general's responsibilities for the review of the financial statements

5. My responsibility is to express a conclusion on the accompanying financial statements. I conducted my review in accordance with the International Standard on Review Engagements (ISRE) 2400 (Revised), Engagements to Review Historical Financial Statements. ISRE 2400 (Revised) requires me to conclude on whether anything has come to my attention that causes me to believe that the financial statements, taken as a whole, are not prepared in all material respects in accordance with the applicable financial reporting framework. This standard also requires me to comply with the relevant ethical requirements.
6. A review of financial statements in accordance with ISRE 2400 (Revised) is a limited assurance engagement. I am required to perform procedures, primarily consisting of making inquiries of management and others within the entity, as appropriate, and applying analytical procedures, and evaluating the evidence obtained.
7. The procedures performed in a review engagement are substantially fewer than those performed in an audit conducted in accordance with International Standards on Auditing. Accordingly, I do not express an audit opinion on these financial statements.

Report on the annual performance report

8. In accordance with the Public Audit Act 25 of 2004 (PA) and the general notice issued in terms thereof, I have a responsibility to report material findings on the usefulness and reliability of the reported performance information against predetermined objectives presented in the annual performance report. The accounting authority is responsible for the preparation of the annual performance report.
9. I performed procedures to evaluate the usefulness and reliability of the reported performance information on selected

performance indicators in accordance with the criteria developed from the performance management and reporting framework, as defined in the general notice.

- 10. I performed the procedures in accordance with the AGSA audit methodology. This engagement is not an assurance engagement. Accordingly, I do not express an opinion or an assurance conclusion.
- 11. My procedures address the usefulness and reliability of the reported performance information on the selected performance indicators, 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.
- 12. I performed procedures to determine whether the reported performance information was properly presented and whether the performance was consistent with the approved performance planning documents. I performed further procedures to determine whether the selected performance 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.
- 13. I selected the following material performance indicators contained in Programme 2 - Radioactive Waste Disposal Operations presented in the public entity's annual performance report for the year ended 31 March 2022 set out on pages 25 to 26. I selected the indicators that measure the public entity's performance on its primary mandated functions, and which are of significant national, community or public interest.

Performance Indicators
Percentage compliance rate for annual SHEQ audit for disposal facilities on Vaalputs site
Number of Public Safety Information Forum (PSIF) meetings held with communities surrounding Vaalputs
Percentage acceptance rate for the disposal of waste packages received from waste generators for disposal

- 14. I did not identify any material findings on the usefulness and reliability of the reported performance information for the selected material performance indicators.

Other matter

I draw attention to the matter below.

ACHIEVEMENT OF PLANNED TARGETS

- 15. Refer to the annual performance report on pages 22 to 30 for information on the achievement of planned targets for the year and management's explanations provided for the under/over achievement of targets.

REPORT ON COMPLIANCE WITH LEGISLATION

- 16. 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 applicable legislation relating to financial matters, financial management and other related matters. The accounting authority is responsible for the public entity's compliance with legislation.
- 17. I performed procedures to test compliance with selected requirements in key legislation in accordance with the AGSA audit methodology. This engagement is not an assurance engagement. Accordingly, I do not express an assurance opinion or conclusion.
- 18. I selected requirements in key legislation for compliance testing that are relevant to the financial and performance

management of the public entity to allow consistent measurement and evaluation while also sufficiently providing detailed and adequately available methods to provide reporting in an understandable manner. The selection is done through an established AGSA process. The selected legislative requirements are as follows: —

Legislation	Sections or regulations
Public Finance Management Act 1 of 1999 (PFMA)	Sections 38(1)(a)(iv); 38(1)(b); 44; Sections 45(b); Sections 51(1)(b)(ii); 51(1)(e)(iii); Sections 53(4); Sections 55(1)(a) - (b); 55(1)(c)(i);
Treasury regulations	TR 8,2,1; 8,2,2; TR 16A3.2(a); 16A 3.2 (fairness); 6.1; TR 16A6.2(a) & (b); TR 16A6.3(a)- (c); 16A6.4; 16A6.5; TR 16A6.6; TR 16A8.3; 16A8.4 TR 16A9.1(b)(ii); 16A9.1(d)- (f); TR 16A9.2(a)(ii); TR 30.1.1; 30.1.3(a) - (b); 30.1.3(d); TR 30.2.1; TR 33.1.1; 33.1.3;
Construction Industry Development Board Act 38 of 2000 (CIDB)	Section 18(1)
CIDB regulations	Regulations 17; 25(7A)
Preferential Procurement Policy Framework Act 5 of 2000 (PPPFA)	Sections 2.1(a),(b) and (f)
Preferential Procurement regulations (PPR), 2011	Regulations 4.1; 4.3; 5.5; 6.5; 7.1; Regulations 9.1; 9.5; 11.5
Preferential Procurement regulations (PPR), 2017	Regulations 4.1; 4.2; 5.1; 5.3; 5.6 Regulations 5.7; 6.8; 7.8; 8.2; 8.5 Regulations 9.1; 10.1; 10.2; 11.1
Prevention and Combating of Corrupt Activities Act 12 of 2004 (PRECCA)	Section 34(1)
NT SCM Instruction Note 05 of 2009/10	Par 3.3
NT SCM Instruction Note 04 of 2015/16	Par 3.4
NT SCM Instruction Note 03 of 2016/17	Par 8.1; 8.5
NT SCM Instruction Note 4A of 2016/17	Par 6
NT SCM Instruction Note 07 of 2017/18	Par 4.3
NT SCM Instruction note 03 of 2019/20 [Annexure A - FIPDMI]	Par 5.5.1(vi); 5.5.1(x)
NT SCM Instruction Note 08 of 2019/20	Par 3.1.1; 3.6; 3.7.2; 3.7.6(i) - (iii)
NT SCM Instruction Note 03 of 2020/21	Par 3.6; 3.7; 5.1(i); 6.1; 6.3
NT SCM Instruction Note 05 of 2020/21	Par 3.2; 3.7; 4.3; 4.6; 4.8; 4.9; 5.3
Erratum NT SCM Instruction Note 05 of 2020/21	Par 1; 2
Second Amendment to NT SCM Instruction Note 05 of 2020/21	Par 1
NT Instruction Note 11 of 2020/21	Par 3.1; 3.4(b); 3.9
SCM Practice Note 8 of 2007/08	Par 3.3.1; 3.4.1; 3.5
SCM Practice Note 7 of 2009/10	Par 4.1.2

19. I did not identify any material findings on compliance with the selected legislative requirements.

INTERNAL CONTROL DEFICIENCIES

20. I considered internal control relevant to my engagements on the financial statements, reported performance information and compliance with key legislation; however, my objective was not to express any form of assurance on it. I did not identify any significant deficiencies with regard to internal control.

PROFESSIONAL ETHICS AND QUALITY CONTROL

21. I am independent of the public entity in accordance with the International Ethics Standards Board for Accountants' International code of ethics for professional accountants (including International Independence Standards) (IESBA code) as well as other ethical requirements that are relevant to my engagements in South Africa. I have fulfilled my other ethical responsibilities in accordance with these requirements and the IESBA code.

22. In accordance with the International Standard on Quality Control 1, the Auditor-General of South Africa maintains a comprehensive system of quality control that includes documented policies and procedures on compliance with ethical requirements and professional standards.

AUDITOR GENERAL

Rustenburg
31 July 2022



AUDITOR - GENERAL
SOUTH AFRICA

AUDIT AND RISK COMMITTEE REPORT

We are pleased to present our report for the financial year ended 31 March 2022.

The overall purpose of the Audit and Risk Committee (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, 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, risk management process and to help maintain a high degree of integrity in both the external and internal audit processes.

1. AUDIT COMMITTEE RESPONSIBILITY

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

The committee 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 audit committee charter has regulated its affairs in compliance with this charter and has discharged all its responsibilities as contained therein.

1.1 Risk Management

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

2. THE EFFECTIVE 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 also report that the system of internal control over financial reporting for the period under review was satisfactory, with noted improvements.

The audit committee 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.

3. 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 of South Africa'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.

4. INTERNAL AUDIT

In line with the PFMA and the King IV Report on Corporate Governance, an Internal Audit Unit must be established in order to provide the audit committee 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 by the identification of corrective actions and suggested enhancements to the controls and processes.

5. AUDITOR GENERAL SOUTH AFRICA

The Auditor-General will continue in office as the External Auditor.

The Auditor-General expresses an opinion on the annual financial statements. The audit has been performed in terms of section 188 of the Constitution of the Republic of South Africa, Act 1996, read with section 4 of the Public Audit Act, 2004 (Act No. 25 of 2004). The audit is conducted in accordance with International Standards on Auditing.

6. APPRECIATION

The ARC expresses its sincere appreciation to the Chief Executive Officer, senior management team and staff of NRWDI for their contributions.



Ms Leanda – Marsha Mtshali
Chairperson :Audit and Risk Committee
Date: 31 July 2022

DIRECTOR'S 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 the 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 have been prepared in accordance with South African Standards of Generally Recognised Accounting Practice (GRAP) 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 to ensure the entity's business is conducted in a manner that, in all reasonable circumstances, is above reproach. The focus of risk management in the entity is on identifying, assessing, managing and monitoring all known forms of risk across the entity.

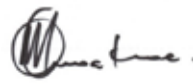
While operating risk cannot be fully eliminated, the entity endeavours to minimise it by ensuring that appropriate infrastructure, controls, systems and ethical behaviour are applied and managed within predetermined procedures and constraints.

The directors are of the opinion, based on the information 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 unaudited annual financial statements. However, any system of internal financial control can provide only reasonable, and not absolute, assurance against material misstatement or deficit.

The directors have reviewed the entity's cash flow forecast for the year to 31 March 2023 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 entity's unaudited annual financial statements. The unaudited annual financial statements have been examined by the entity's external auditors and their report is presented on page 50.

The annual financial statements set out on pages 49-85, were approved by the board on 29 July 2022 and were signed on their behalf by:



Mr Mogwera Khoathane
(Deputy Board Chairperson)



Ms Thandeka Zungu
(Board Chairperson)

DIRECTOR'S REPORT

The members submit their report for the year ended 31 March 2022.

1. REVIEW OF ACTIVITIES

Main business and operations

The institute 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 state of affairs of the entity are fully set out in the attached unaudited annual financial statements and do not in our opinion require any further comment.

2. 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 that may affect 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 on the financial position of the entity.

4. DIRECTORS

The members 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 (<i>Board Chairperson</i>)	11 August 2020	10 August 2023
Mr Mogwera Khoathane (<i>Deputy Board Chairperson</i>)	11 August 2020	10 August 2023
Ms Leanda – Marsha Mtshali	11 August 2020	10 August 2023
Dr Kgaugelo Chiloane	11 August 2020	10 August 2023
Dr Cornelius Ruiters	11 August 2020	10 August 2023
Ms Lerato Makgae (<i>DMRE representative</i>)	11 August 2020	10 August 2023
Mr Thabiso Pie (<i>DMRE alternate representative</i>)	20 November 2021	19 November 2023
Ms Mamogala Museneke (<i>DFFE representative</i>)	20 November 2021	19 November 2023
Mr Obed Baloyi (<i>DFFE alternate representative</i>)	20 November 2021	19 November 2023
Ms Aneliswa Cele (<i>DOH representative</i>)	20 November 2021	19 November 2023
Mr Alan Carolissen (<i>Acting CEO - 01 April 2021 to 31 October 2021</i>)	01 April 2018	31 October 2021 ex-officio
Dr Margaret Mkhosi (<i>CEO - Appointed 01 November 2021</i>)	01 November 2021	ex-officio
Mr Justin Daniel (<i>CFO</i>)	01 October 2016	ex-officio

5. AUDITORS

Auditor-General SA will continue in office for the next financial period.

6. OPERATIONALISATION OF THE ENTITY

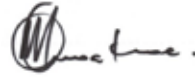
The directors have developed a plan to operationalise the organisation, key amongst the matters attended to are the formation of the board statutory committees, the appointment of the key staff members, the establishment of plan to transfer the key operational activities from Necs to the entity and the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



Ms Thandeka Zungu
(Board Chairperson)

7. 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.



Mr Mogwera Khoathane
(Deputy Board Chairperson)

STATEMENT OF FINANCIAL POSITION

AS AT 31 MARCH 2022

Figures in Rand	Note(s)	2022	2021
Assets			
Non-Current Assets			
Property, plant and equipment	3	2 705 001	2 642 619
Intangible assets	4	524 769	849 385
		3 229 770	3 492 004
Current Assets			
Receivables from exchange transactions	5	374 335	250 841
Cash and cash equivalents	6	31 762 351	28 789 177
		32 136 686	29 040 018
Total Assets		35 366 456	32 532 022
Liabilities			
Current Liabilities			
Payables from exchange transactions	7	1 193 514	1 515 717
Provisions	8	7 441 022	7 544 620
		8 634 536	9 060 337
Total Liabilities		8 634 536	9 060 337
Net Assets		26 731 920	23 471 685
Accumulated surplus		26 731 919	23 471 686

STATEMENT OF FINANCIAL PERFORMANCE

AS AT 31 MARCH 2022

Figures in Rand	Note(s)	2022	2021
Revenue			
Revenue from non-exchange transactions			
Transfer revenue			
Government grants & subsidies	9	49 166 000	49 397 000
Revenue from exchange transactions			
Other income	10	1 299 609	1 184 171
Total revenue		50 465 609	50 581 171
Expenditure			
Employee related costs	11	(37 450 646)	(36 690 391)
Depreciation and amortisation		(1 128 008)	(1 003 864)
Lease rentals on operating lease	12	887 594	850 395
Loss on disposal of assets		(27 333)	(8 963)
General Expenses	13	(7 711 794)	(7 479 415)
Total expenditure		(47 205 375)	(46 033 028)
Surplus for the year		3 260 234	4 548 143

STATEMENT OF CHANGES IN NET ASSETS

AS AT 31 MARCH 2022

Figures in Rand	Accumulated surplus / deficit	Total net assets
Balance at 01 April 2020	18 923 543	18 923 543
Changes in net assets		
Surplus for the year	4 548 143	4 548 143
Total changes	4 548 143	4 548 143
Balance at 01 April 2021	23 471 685	23 471 685
Changes in net assets		
Surplus for the year	3 260 234	3 260 234
Total changes	3 260 234	3 260 234
Balance at 31 March 2022	26 731 919	26 731 919

CASH FLOW STATEMENT

AS AT 31 MARCH 2022

Figures in Rand	Note(s)	2022	2021
Cash flows from operating activities			
Receipts			
Grants		49 166 000	49 397 000
Other receipts		1 299 609	1 137 449
		50 465 609	50 534 449
Payments			
Employee costs		(37 904 244)	(33 434 138)
Suppliers		(8 695 085)	(12 711 237)
		(46 599 329)	(46 145 375)
Net cash flows from operating activities	15	3 866 280	4 389 074
Cash flows from investing activities			
Purchase of property, plant and equipment	3	(893 107)	(1 326 099)
Purchase of other intangible assets		-	(235 279)
Net cash flows from investing activities		(893 107)	(1 561 378)
Net increase/(decrease) in cash and cash equivalents		2 973 173	2 827 696
Cash and cash equivalents at the beginning of the year		28 789 177	25 961 483
Cash and cash equivalents at the end of the year	6	31 762 350	28 789 179

STATEMENT OF COMPARISON OF BUDGET AND ACTUAL AMOUNTS

AS AT 31 MARCH 2022

Budget on Accrual Basis						
Figures in Rand	Approved budget	Adjustments	Final Budget	Actual amounts on comparable basis	Difference between final budget and actual	Reference

Statement of Financial Performance

Revenue

Revenue from exchange transactions

Other income - (rollup)	1 725 000	-	1 725 000	1 299 609	(425 391)
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Revenue from non-exchange transactions

Transfer revenue

Government grants & subsidies	49 166 000	-	49 166 000	49 166 000	
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Total revenue	50 891 000	-	50 891 000	50 465 609	(425 391)
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Expenditure

Personnel	(41 239 316)	-	(41 239 316)	(37 450 646)	3 788 670
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Depreciation and amortisation	(1 127 300)	-	(1 127 300)	(1 128 008)	(708)
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Lease rentals on operating lease	(1 045 000)	-	(1 045 000)	(887 594)	157 406
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General Expenses	(7 479 384)	-	(7 479 384)	(7 711 794)	(232 410)
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Total expenditure	(50 891 000)	-	(50 891 000)	(47 178 042)	3 712 958
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Operating surplus	-	-	-	3 287 567	3 287 567
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Loss on disposal of assets and liabilities	-	-	-	(27 333)	(27 333)
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Surplus before taxation	-	-	-	3 260 234	3 260 234
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Actual Amount on Comparable Basis as Presented in the Budget and Actual Comparative Statement	-	-	-	3 260 234	3 260 234
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Reconciliation					
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ACCOUNTING POLICIES

1. PRESENTATION OF UNAUDITED ANNUAL FINANCIAL STATEMENTS

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 (Act 1 of 1999).

These accounting policies are consistent with the previous period.

1.1 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 1.11 and 1.6 respectively.

1.2 Going concern assumption

These annual financial statements have been prepared based on the expectation that the entity will continue to operate as a going concern for at least the next 12 months.

1.3 Materiality

Material omissions or misstatements of items are material if they could, individually or collectively, influence the decisions or assessments of users made on the basis of the financial statements. Materiality depends on the nature or size of the omission or misstatement judged in the surrounding circumstances. The nature or size of the information item, or a combination of both, could be the determining factor.

Assessing whether an omission or misstatement could influence decisions of users, and so be material, requires consideration of the characteristics of those users. The Framework for the Preparation and Presentation of Financial Statements states that users are assumed to have a reasonable knowledge of government, its activities, accounting and a willingness to study the information with reasonable diligence. Therefore, the assessment takes into account how users with such attributes could reasonably be expected to be influenced in making and evaluating decisions.

1.4 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:

ACCOUNTING POLICIES

Item	Depreciation method	Average useful life
Machinery and equipment	Straight-line	5-10 years
Motor vehicles	Straight-line	5-10 years
Office equipment and Furniture and fittings	Straight-line	5-10 years
Computer equipment	Straight-line	5 years

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

The entity separately discloses expenditure to repair and maintain property, plant and equipment in the notes to the financial statements (see note 14).

1.5 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.

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.

Item	Depreciation method	Average useful life
Computer software and licences	Straight-line	5 years

The entity discloses relevant information relating to assets under construction or development, in the notes to the financial statements (see note 4).

Intangible assets are derecognised:

- on disposal; or
- when no future economic benefits or service potential are expected from its use or disposal.

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.

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.

Internally generated brands, mastheads, publishing titles, customer lists and items similar in substance are not recognised as intangible assets.

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

The gain or loss arising from the derecognition of intangible assets is included in surplus or deficit when the asset is derecognised (unless the Standard of GRAP on leases requires otherwise on a sale and leaseback).

1.6 Financial instruments

Initial Recognition and Measurement

Financial instruments are recognised when the entity becomes a party to the contractual provisions of the

ACCOUNTING POLICIES

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.

Derecognition

Financial assets are derecognised 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 derecognised 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.

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 recognised 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 reorganisation, and default or delinquency in payments (more than 30 days overdue) are considered indicators that the trade receivable is impaired.

The allowance recognised 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 are subsequently measured at amortised cost, using the effective interest rate method.

1.7 Tax

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.

1.8 Leases

A lease is classified as a finance lease if it transfers substantially all the risks and rewards incidental to ownership. A lease is classified as an operating lease if it does not transfer substantially all the risks and rewards incidental to ownership.

Operating leases-lessee

Operating lease payments are recognised as an expense on a straight-line basis over the lease term. The difference between the amounts recognised as an expense and the contractual payments are recognised as an operating lease asset or liability.

1.9 Impairment of cash-generating assets

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.

- the period of time over which an asset is expected to be used by the entity; or
- the number of production or similar units expected to be obtained from the asset by the entity.

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

ACCOUNTING POLICIES

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 the 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 were significant and had or were 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.

1.10 Employee benefits

Employee benefits are all forms of consideration given by an entity in exchange for service rendered by employees. 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 the 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.

Post-retirement employee benefits

The 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.

Performance bonus

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 historic data.

1.11 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 or service potential will be required to settle an obligation;
- a reliable estimate can be made of an obligation.

The amount of a provision is the best estimate of the expenditure expected to be required to settle the present obligation at the reporting date.

Where the effect of time, value of money is material, the amount of a provision is the present value of the expenditures expected to be required to settle the obligation.

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

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

ACCOUNTING POLICIES

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.

1.12 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.

1.13 Revenue recognition

Revenue from exchange transactions

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

1.14 Revenue from non-exchange transactions

Revenue from non-exchange transactions is comprised of government grants. Conditions on transferred assets are stipulations, which 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 recognise a liability.

In which a liability is required to be recognised it will be measured at the best estimate of the amount required to settle the obligation at the reporting date, and the amount of the increase in net assets, if any, will be recognised as revenue. When a liability is subsequently reduced, because the taxable 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.

ACCOUNTING POLICIES

1.15 Fruitless and wasteful expenditure

Fruitless expenditure means expenditure that was made in vain and would 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.

1.16 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.

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 the National Treasury.

1.17 Budget information

The entity is currently subject to budgetary limits in the form of appropriations or budget authorisations from the 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.

1.18 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.

NOTES TO THE AUDITED ANNUAL FINANCIAL STATEMENTS

2. NEW STANDARDS AND INTERPRETATIONS

2.1 Standards and interpretations effective and adopted in the current year

In the current year, the entity has adopted the following standards and interpretations that are effective for the current financial year and that are relevant to its operations:

Standard/ Interpretation:	Effective date: Years beginning on or after	Expected impact:
Directive 14: The application of Standards of GRAP by Public Entities that apply IFRS® Standards	01 April 2021	The impact of this is not material.

2.2 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 2022 or later periods:

Standard/ Interpretation:	Effective date: Years beginning on or after	Expected impact:
GRAP 25 (as revised): Employee Benefits	01 April 2023	Unlikely there will be a material impact
GRAP 104 (as revised): Financial Instruments	01 April 2025	Unlikely there will be a material impact
iGRAP 21: The Effect of Past Decisions on Materiality	01 April 2023	Unlikely there will be a material impact
GRAP 2020: Improvements to the standards of GRAP 2020	01 April 2023	Unlikely there will be a material impact
GRAP 1 (amended): Presentation of Financial Statements	01 April 2023	Unlikely there will be a material impact

NOTES TO THE AUDITED ANNUAL FINANCIAL STATEMENTS

Figures in Rand	2022	2021
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3. PROPERTY, PLANT AND EQUIPMENT

	2022			2021		
	Cost / Valuation	Accumulated depreciation and accumulated impairment	Carrying value	Cost / Valuation	Accumulated depreciation and accumulated impairment	Carrying value
Plant and machinery	12 015	(10 591)	1 424	12 015	(8 188)	3 827
Furniture and fixtures	1 609 948	(845 569)	764 379	1 531 704	(673 855)	857 849
Motor vehicles	955 508	(334 428)	621 080	955 508	(143 326)	812 182
IT equipment	2 651 877	(1 333 759)	1 318 118	1 911 029	(942 268)	968 761
Total	5 229 348	(2 524 347)	2 705 001	4 410 256	(1 767 637)	2 642 619

Reconciliation of property, plant and equipment - 2022

	Opening balance	Additions	Disposals	Depreciation	Total
Plant and machinery	3 827	-	-	(2 403)	1 424
Furniture and fixtures	857 849	78 582	-	(172 052)	764 379
Motor vehicles	812 182	-	-	(191 102)	621 080
IT equipment	968 761	814 525	(27 333)	(437 835)	1 318 118
	2 642 619	893 107	(27 333)	(803 392)	2 705 001

Reconciliation of property, plant and equipment - 2021

	Opening balance	Additions	Disposals	Depreciation	Total
Plant and machinery	6 229	-	-	(2 402)	3 827
Furniture and fixtures	1 014 911	6 118	-	(163 180)	857 849
Motor vehicles	-	955 508	-	(143 326)	812 182
IT equipment	963 990	364 473	(9 463)	(350 239)	968 761
	1 985 130	1 326 099	(9 463)	(659 147)	2 642 619

NOTES TO THE AUDITED ANNUAL FINANCIAL STATEMENTS

Figures in Rand

2022

2021

4. INTANGIBLE ASSETS

	2022			2021		
	Cost / Valuation	Accumulated amortisation and accumulated impairment	Carrying value	Cost / Valuation	Accumulated amortisation and accumulated impairment	Carrying Value
Computer software and licences	1 623 090	(1 098 321)	524 769	1 623 090	(773 705)	849 385

Reconciliation of intangible assets - 2022

	Opening balance	Amortisation	Total
Computer software and licences	849 385	(324 616)	524 769

Reconciliation of intangible assets - 2021

	Opening balance	Additions	Amortisation	Total
Computer software and licences	958 823	235 279	(344 717)	849 385

5. RECEIVABLES FROM EXCHANGE TRANSACTIONS

Trade debtors	121 384	-
Deposits	141 571	141 571
Other receivables	88 409	61 340
Prepaid expenses	22 971	47 930
	374 335	250 841

Trade and other receivables impaired

As of 31 March 2022, trade and other receivables of R5,111,947 (2021: R5,111,947) in respect of waste 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.

NOTES TO THE AUDITED ANNUAL FINANCIAL STATEMENTS

Figures in Rand	2022	2021
Reconciliation of provision for impairment of trade and other receivables		
Opening balance	5 111 947	5 111 947

6. CASH AND CASH EQUIVALENTS

Cash and cash equivalents consist of:

Cash on hand	636	1 420
Bank balances	31 754 503	28 777 413
Short-term deposits	5 549	5 344
Other cash and cash equivalents	1 663	5 000
	31 762 351	28 789 177

7. PAYABLES FROM EXCHANGE TRANSACTIONS

Trade payables	48 274	422 809
Employee benefit accruals	383 270	334 275
Trade payable accruals	761 970	758 633
	1 193 514	1 515 717

In the prior year the heading, "Employee benefit accruals" was interchanged with the heading, "Trade payable accruals". This has been corrected in the current year.

Creditors are paid within 30 days of receipt of the invoice.

The ageing of trade and other payable is as follows:

Trade payables

Current	48 274	422 809
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Employee benefit accruals

Current	383 270	334 275
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Trade payables accruals

Current	761 970	104 146
1 month	-	84 780
3 months and older	-	569 707
	761 970	758 633

NOTES TO THE AUDITED ANNUAL FINANCIAL STATEMENTS

Figures in Rand	2022	2021
8. PROVISIONS		
Leave provision	1 871 339	1 809 024
Incentive bonus provision	5 569 683	5 735 596
	7 441 022	7 544 620

Reconciliation of provisions - 2022

	Opening Balance	Additions	Utilised during the year	Reversed during the year	Total
Leave provision	1 809 024	2 716 854	(2 654 539)	-	1 871 339
Incentive bonus provision	5 735 596	2 712 681	(2 485 840)	(392 754)	5 569 683
	7 544 620	5 429 535	(5 140 379)	(392 754)	7 441 022

Reconciliation of provisions - 2021

	Opening Balance	Additions	Utilised during the year	Total
Leave provision	1 270 480	2 958 576	(2 420 032)	1 809 024
Incentive bonus provision	2 878 594	2 857 002	-	5 735 596
	4 149 074	5 815 578	(2 420 032)	7 544 620

Provision for annual leave

The leave provision represents management's best estimate of the entity's liability for leave based on the NRWDI's 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 2022.

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 2021 and 31 March 2022.

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 9.5% (2022) and 9% (2021) 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.

NOTES TO THE AUDITED ANNUAL FINANCIAL STATEMENTS

Figures in Rand	2022	2021
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9. GOVERNMENT GRANTS & SUBSIDIES

Unconditional government grant

Department of Mineral Resources and Energy	49 166 000	49 397 000
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The funds of the entity consist of money appropriated by Parliament through National Treasury.

10. OTHER INCOME

Interest received	1 177 249	1 183 182
Commission received	976	989
Miscellaneous income	121 384	-
	1 299 609	1 184 171

11. EMPLOYEE RELATED COSTS

Basic salary	30 219 183	28 606 149
Statutory contributions	693 068	511 296
Movement in leave provision	81 153	538 544
Company contribution - retirement fund	4 258 022	4 082 771
Movement in bonus provision	2 110 309	2 857 002
Allowances	88 911	94 629
	37 450 646	36 690 391

12. DEPRECIATION AND AMORTISATION

Property, plant and equipment	803 392	659 147
Intangible assets	324 616	344 717
	1 128 008	1 003 864

NOTES TO THE AUDITED ANNUAL FINANCIAL STATEMENTS

Figures in Rand	2022	2021
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13. LEASE RENTALS ON OPERATING LEASE

Premises

Contractual amounts

887 594	850 395
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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. The 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, the 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 AUDITED ANNUAL FINANCIAL STATEMENTS

Figures in Rand	2022	2021
14. GENERAL EXPENSES		
Advertising	71 030	329 944
Auditors remuneration	1 142 111	1 099 080
Bank charges	23 401	22 369
Legal costs	340 539	-
Consumables	9 451	47 582
Entertainment	2 587	1 000
SARS penalties	-	3 500
Gifts	4 700	4 300
Insurance	98 430	33 154
Development material (1)	970 200	2 729 488
Workshop and conferences	-	61 943
Electronic office equipment	871 300	694 732
External printing	119 327	200 725
Postage and courier	4 598	3 829
Printing and stationery	51 707	22 905
Repairs and maintenance	22 289	17 553
PC software	-	10 068
Subscriptions and membership fees	34 290	36 786
Telecommunications	279 489	275 310
Training	314 615	342 558
Travel - local	471 996	62 453
Directors' emoluments	16	870 010
Licences	419 634	210 179
Small capital items	4 586	3 335
Contracted-out services	1 483 158	754 511
Consulting fees	102 346	75 810
	7 711 794	7 479 415

1. Development material relates to the NNR licence application fee.

NOTES TO THE AUDITED ANNUAL FINANCIAL STATEMENTS

Figures in Rand	2022	2021
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15. OPERATING SURPLUS

Operating surplus for the year is stated after accounting for the following:

Operating lease charges

Premises

• Contractual amounts	887 594	850 395
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Loss on sale of property, plant and equipment	(27 333)	(8 963)
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Amortisation on intangible assets	324 616	344 717
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Depreciation on property, plant and equipment	803 392	659 147
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Employee costs	37 450 646	36 690 391
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16. CASH GENERATED FROM OPERATIONS

Surplus	3 260 234	4 548 143
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Adjustments for:

Depreciation and amortisation	1 128 008	1 003 864
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(Gain)/loss on assets written off	27 333	9 463
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Movements in provisions	(103 598)	3 395 547
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Changes in working capital:

Receivables from exchange transactions	(123 494)	120 119
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Payables from exchange transactions	(322 203)	(4 688 062)
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3 866 280	4 389 074
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NOTES TO THE AUDITED ANNUAL FINANCIAL STATEMENTS

Figures in Rand

2022

2021

17. RELATED PARTIES

Relationships	
Controlling entity	Department of Minerals Resources and Energy
Fellow entity	National Nuclear Regulator (NNR)
Fellow entity	Necsa
Non-executive members	Details contained within the note
Executive members	Details contained within the note

Related party transactions

Department of Mineral Resources and Energy

Grant received	49 166 000	49 397 000
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National Nuclear Regulator (NNR)

Nuclear Installation Licence application (1)	970 200	2 692 400
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Necsa

Expenses incurred (2)	1 849 347	1 549 057
Services received (3)	-	61 129
Trade and other receivables-Necsa (Eskom Waste Disposal Contract) (4)	5 233 331	5 111 947
Provision for impairment	(5 111 947)	(5 111 947)
Trade and other payables - Year end balance	80 451	265 859

1. Payment was made to NNR for the nuclear installation licence application fee. The amount is less than that the prior year as the fee is based on the number of hours utilised (1270 hours in 2021 vs 440 hours in 2022).
2. Payment was made to Necsa for office rental and IT services in 2022 and 2021.
3. Finance, Payroll and SCM services were rendered by Necsa to the NRWDI at the beginning of the 2021 financial year. The decrease in service fees is as a result of the NRWDI fully and independently performing these functions for the significant part of the 2021 year and for the course of the financial year under review. These services are discontinued.
4. As of 31 March 2017, this amount was past due and provided for possible impairment due to recoverability uncertainty.

NOTES TO THE AUDITED ANNUAL FINANCIAL STATEMENTS

Figures in Rand

2022

2021

Remuneration of Related Party

Directors' emoluments

2022

	Board fees	Human resources, social and ethics committee	Technical and operations committee	Audit and risk committee	Other meetings	Travel and other costs	Total
Non-executive							
Dr Kgaugelo Chiloane	34 241	44 064	-	20 952	53 890	1 388	154 535
Mr Mogwera Khoathane	58 359	-	51 804	31 428	-	1 776	143 367
Dr Cornelius Ruiters	59 282	24 881	28 809	-	-	1 830	114 802
Ms Leanda-Marsha Mtshali	58 104	42 085	-	43 170	655	1 487	145 501
Ms Thandeka Zungu	66 404	46 062	20 790	16 038	104 182	16 051	269 527
Mr Thabiso Pie	-	-	-	-	-	550	550
	276 390	157 092	101 403	111 588	158 727	23 082	828 282

2021

	Remuneration	Other costs	Total
Non-executive			
Dr Kgaugelo Chiloane	86 427	2 273	88 700
Mr Mogwera Khoathane	65 883	3 217	69 100
Dr Cornelius Ruiters	59 538	1 153	60 691
Ms Leanda-Marsha Mtshali	77 346	1 928	79 274
Ms Thandeka Zungu	147 107	5 037	152 144
	436 301	13 608	449 909

Other costs are disbursements which form part of the total directors' emoluments, are disclosed under travel and subsistence in goods and services.

NOTES TO THE AUDITED ANNUAL FINANCIAL STATEMENTS

Figures in Rand	2022		2021			
Key management personnel						
2022						
	Salary	Other allowances	Defined contribution fund	Other company contribution *	Incentive bonus	Total
Executive						
Mr Cobus Beyleveld	1 180 873	-	206 304	24 219	166 461	1 577 857
Mr Alan Carolissen **	1 797 831	-	323 985	31 943	209 618	2 363 377
Mr Justin Daniel **	1 564 825	-	228 695	29 424	197 287	2 020 231
Dr Margaret Mkhosi **	799 819	-	122 947	12 953	-	935 719
Mr Zweli Ndziba	1 680 551	10 788	169 021	30 155	147 965	2 038 480
Dr Vusi Twala	1 711 528	15 068	250 136	30 653	156 933	2 164 318
	8 735 427	25 856	1 301 088	159 347	878 264	11 099 982

2021

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

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

**Mr Alan Carolissen (Acting CEO until 31 October 2021), Dr Margaret Mkhosi (CEO from 1 November 2021) and Mr Justin Daniel (CFO) serve as executive directors on the NRWDI Board of Directors.

18. COMMITMENTS

Total commitments

Capital commitments	360 357	360 357
Operational commitments	3 313 697	1 021 578
	3 674 054	1 381 935

There are no commitments to any external parties for potential obligations of the entity, except for payments to suppliers.

NOTES TO THE AUDITED ANNUAL FINANCIAL STATEMENTS

Figures in Rand	2022	2021
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19. CONTINGENCIES

A cash surplus amounting to R23,502,150 for the 2021/22 financial year, which must be surrendered to the National Treasury unless permission is granted to retain the surplus. The cash surplus was calculated using a formula prescribed by the National Treasury through the National Treasury Instruction No.12 of 2020/21, which is as follows: Cash and cash equivalents plus receivables less current liabilities.

20. FINANCIAL INSTRUMENTS

Financial risk management

Non-current financial assets

Current financial assets

Deposits	141 571	141 571
Other receivables	88 409	61 340
Current financial assets		
Cash and cash equivalents	31 762 351	28 789 177
Trade receivables	5 233 331	5 111 947
Impairment on trade receivables	(5 111 947)	(5 111 947)
Non-current financial liabilities		
Current financial liabilities		
Payables from exchange transactions	761 970	758 633
	<u>32 875 685</u>	<u>29 750 721</u>

Liquidity risk

The entity's risk to liquidity is a result of the funds available to cover future commitments. The entity manages liquidity risk through an ongoing review of future commitments and credit facilities.

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 since the risk identified has been fully provided for in the previous financial year.

Financial assets exposed to credit risk at year-end were as follows :

NOTES TO THE AUDITED ANNUAL FINANCIAL STATEMENTS

Figures in Rand	2022			2021		
	Gross carrying amount	Credit loss allowance	Amortised cost/ Fair value	Gross carrying amount	Credit loss allowance	Amortised cost/ Fair value
Cash and cash equivalents	31 762 351	-	31 762 351	28 789 177	-	28 789 177
Trade receivables	5 233 331	(5 111 947)	121 384	5 111 947	(5 111 947)	-
Deposits	141 571	-	141 571	141 571	-	141 571
Other receivables	88 409	-	88 409	61 340	-	61 340

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.

21. EVENTS AFTER THE REPORTING DATE

Condonation of irregular expenditure

In the 2021/22 financial year, a variation to an order which was placed for the services of a labour and employment law specialists was not approved prior to the additional service being rendered and this resulted in the entity incurring irregular expenditure in the amount of R102 251. A formal request for condonation of the irregular expenditure was sent to National Treasury in March 2022 and in June 2022, subsequent to the year end, National Treasury informed NRWDI that the irregular expenditure of R102 251 was not condoned as the entity did not obtain prior approval from the National Treasury. NRWDI was accordingly requested by National Treasury to ensure that paragraph 56 (a-h) of the Irregular Expenditure Framework is complied with.

Floods in Kwa-Zulu Natal

In April 2022, Kwa-Zulu Natal experienced heavy torrential rains that caused widespread flooding and damage. The NRWDI was not affected by the flooding and did not suffer any loss or damage.

22. PUBLIC FINANCE MANAGEMENT ACT

Material losses

No material losses through criminal conduct, irregular, fruitless or wasteful expenditure was incurred during the period ending 31 March 2022 and 31 March 2021.

Irregular expenditure

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

Opening balance as previously reported	5 303 312	8 704 694
Opening balance as restated	5 303 312	8 704 694
Add: Irregular Expenditure - current	102 250	
Less: Irregular Expenditure Condoned subsequent to year end	-	(3 401 382)
Closing balance	5 405 562	5 303 312

NOTES TO THE AUDITED ANNUAL FINANCIAL STATEMENTS

Figures in Rand	2022	2021
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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 the National Treasury since 2018, a formal request for condonation was sent to the National Treasury in March 2021.

In the current year an order was approved and placed for the services of labour and employment law specialists. The variation of the order was not approved and resulted in the entity incurring irregular expenditure of R102, 250.

Condonation

On 28 May 2021, the National Treasury informed the 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 the 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 the 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.

Prior year	-	5 303 312
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23. BUDGET DIFFERENCES

Material differences between budget and actual amounts

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:

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.

Personnel expenses

The surplus in salaries is largely attributed to the vacant post of the CEO as well as two months underspending on the post of the Board Secretary, which was only filled in June 2021 and one month savings for the vacant positions of the SCM Manager and the Executive Compliance Manager.

Personnel related expenses – surplus of R 305,000 in training

Limited training was undertaken in the course of the year due to the COVID-19 lockdown. In an attempt to accelerate the training, HR identified limited suitable online training courses, which were attended by relevant staff members.

Surplus of R403,000 in Travel and subsistence

No local and/or international travel was undertaken in quarters 1 to 3 due to the limited movement as part of the COVID-19 lockdown, and due to the organisation conducting its meetings and attending identified training and workshops via online platforms. Local travel commenced in quarter 4, which included trips to Vaalputs and Koeberg.

NOTES TO THE AUDITED ANNUAL FINANCIAL STATEMENTS

Figures in Rand	2022	2021
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Surplus of R157,000 in Lease rentals on operating lease(Rental Buildings)

The surplus is due to an anticipated rate increase provided for in the budget.

Deficit of R523,000 in Directors remuneration

With the appointment of the current Board as well as the appointment of additional Board members in the course of the year, a number of additional meetings were held during the year. This included special meetings as well as strategic workshops and task team engagements.

General expenses

The deficit in general expenses is made up as follows:

Deficit of R308,000 in contracted-out services

There were a number of disbursements made to services providers during the year, including the labour law services for the Executive contracts, for which there was no secured budget. This resulted in a deficit in this line item and is offset by other savings in the goods and services budget.

Deficit of R195,000 in IT Support

This was attributed to the additional support hours in respect of the Finance ERP System, MS Dynamics. In addition to the synchronisation of trial balances of the Necsa and the NRWDI domains. From the 1st of April 2020, the NRWDI no longer used the MS Dynamics on the Necsa domain. As the 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 three standard reports; namely, the Statement of Financial Performance, Statement of Cash Flow and Statement of Financial Position.

Surplus of R131,000 in external printing

This surplus is attributed to the printing of the 2021/2022 Annual Performance Plans, which has been finalised in April 2022 only, and is therefore committed via a purchase order.

Deficit of R575,000 in operating costs

This relates to costs in respect of the re-licencing of Vaalputs, which includes safety assessments and Necsa-outsourced services to the NRWDI technical support organisation capability in respect of the Vaalputs radioactive disposal operations.



NRWDI

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