

NRWDI

NATIONAL RADIOACTIVE WASTE
DISPOSAL INSTITUTE



2023

ANNUAL REPORT



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PART A

General Information



PART A: GENERAL INFORMATION

REGISTERED NAME: National Radioactive Waste Disposal Institute

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EXTERNAL AUDITORS: Auditor-General of South Africa

BANKERS: ABSA Bank

COMPANY SECRETARY: Mr N Kleinbooi



I. LIST OF ABBREVIATIONS

Abbreviation	Description
AGSA	Auditor-General of South Africa
ARC	Audit and Risk Committee
B-BBEE	Broad-based Black Economic Empowerment
CEO	Chief Executive Officer
CFO	Chief Financial Officer
CISF	Centralised Interim Storage Facility
CSR	Corporate Social Responsibility
DMRE	Department of Mineral Resources and Energy
ERP	Enterprise Resource Planning
GRAP	Generally Recognised Accounting Practice
HR	Human Resources
HRIS	Human Resource Information System
HRM	Human Resource Management
HR-SEC	Human Resources, Social and Ethics Committee
ICT	Information and Communication Technology
IMS	Integrated Management System
MTSF	Medium-term Strategic Framework
MTEF	Medium Term Expenditure Framework
NEMA	National Environmental Management Act
NIL	Nuclear Installation Licence
NNR	National Nuclear Regulator
NNRA	National Nuclear Regulator Act
NRWDIA	National Radioactive Waste Disposal Institute Act
NRWDI	National Radioactive Waste Disposal Institute
Necsa	South African Nuclear Energy Corporation
OECD	Organisation for Economic Cooperation and Development
PFMA	Public Finance Management Act
PID	Public Information Document
PSIF	Public Safety Information Forum
R&D	Research and Development
RAWIS	Radioactive Waste Information System
RWMF	Radioactive Waste Management Fund
SCM	Supply Chain Management
SETA	Sector Education and Training Authority
SHE	Safety, Health and Environmental
SHEQ	Safety, Health, Environment and Quality
STEM	Science, Technology, Engineering and Mathematics
TOC	Technical and Operations Committee
VPSIF	Vaalputs Public Safety Information Forum
WAC	Waste Acceptance Criteria
WiNSA	Women in Nuclear South Africa

2. FOREWORD BY THE CHAIRPERSON



During the year under review our main focus was on finalizing the feasibility report for the CISF project. Additionally, NRWDI is also responsible for providing expert advice and guidance on radioactive waste management solutions, and its contribution will have a positive impact to the country and generations to come.

MR MOGWERA KHOATHANE
Board Chairperson

In advancing the mandate as enounced in the Department of Mineral Resources and Energy (DMRE) strategy, I am pleased to present the National Radioactive Waste Disposal Institute (NRWDI) Annual Report and Audited Financial Statements for the financial year 2022/23. The Annual Report describes our approach in executing NRWDI mandate as provided for in section 5 of the National Radioactive Waste Disposal Act, Act 53 of 2008. The report reflects on the institute's achievements over the past year; the strategic initiatives executed, the critical challenges and the key areas of focus for the year ahead. NRWDI aspires to be a world class radioactive waste disposal organisation by managing radioactive waste effectively, to protect people and the environment.

Key amongst our deliverables is the development of the radioactive waste disposal facility – a Central Interim Storage Facility (CISF) for the long-term storage of spent nuclear fuel

from nuclear reactors in the country. During the year under review our main focus was on finalizing the feasibility report for the CISF project. Additionally, NRWDI is also responsible for providing expert advice and guidance on radioactive waste management solutions, and its contribution will have a positive impact to the country and generations to come.

As a people centric organisation, our people are central to our success and we work to ensure employees feel valued and engaged, and by every measure, NRWDI will be a better and stronger place than it was when it started. We will develop and maintain NRWDI as a high performing organisation and provide the right environment to get the very best out of our people, with the skills and expertise to deliver our strategy. The nature of our strategy is such that the specific capabilities and resources required at different stages of the programme will change. To do this effectively, we will ensure we have core

The critical challenge faced by the institute is the issuance of the Nuclear Installation Licence by the National Nuclear Regulator (NNR) which had been lodged in May 2018, and upon issuance will result in the operation of Vaalputs, considered as South Africa's low-level nuclear waste repository in Northern Cape....



knowledge within the organisation covering major programme delivery, communications and engagement and the technical and safety basis for radioactive waste disposal. We will provide a workplace that embraces equality, diversity and inclusivity.

As embedded in our mandate NRWDI will continue to work with communities living around the Vaalputs Radioactive Waste disposal repository in the Northern Cape, and to explore how NRWDI could make a long-term positive contribution to the fulfilment of their vision for their community. In this regard, we will develop and implement a comprehensive engagement programme to raise awareness and provide information on our radioactive waste disposal activities. Building on that, the NRWDI will develop a Corporate Social Responsibility Framework that will detail how we engage with these communities.

Additionally, we are also in the process of establishing long term relationships with our local and overseas counterparts through formal mechanisms which we shall utilise to leverage on the strengths of our partnerships to achieve our goals.

The critical challenge faced by the institute is the issuance of the Nuclear Installation Licence by the National Nuclear Regulator (NNR) which had been lodged in May 2018, and upon issuance will result in the operation of Vaalputs, considered as South Africa's low-level nuclear waste repository in Northern Cape.

To succeed in the execution of our mandate it is envisaged that The Financial Sustainability Plan and the promulgation of

the Radioactive Waste Management Fund (RWMF) Bill will be catalysts for change, bringing about funding sustainability for the NRWDI. The RWMF will be responsible for ensuring that sufficient financial resources are available for disposal of all types of radioactive waste from nuclear installations in the energy sector and for their decommissioning and dismantling. The Board, together with the management of the NRWDI, will continue to provide support to the DMRE and the Minister of Mineral Resources and Energy, as the shareholder, in facilitating the promulgation of the RWMF Bill.

On behalf of the Board, I take this opportunity to thank the NRWDI team, who have demonstrated resilience in achieving commendable results, despite the many challenges with which they were confronted. Additionally, I thank the Board for its strategic leadership and guidance as the Accounting Authority of NRWDI. Lastly, I express my appreciation to the Honourable Minister of Mineral Resources and Energy, Mr Gwede Mantashe, for providing us with support during the year under review.

Mr Mogwera Khoathane

Board Chairperson

31 July 2023

3. CHIEF EXECUTIVE OFFICER'S OVERVIEW



Presenting the financial and non-financial results of the National Radioactive Waste Disposal Institute (NRWDI) for the financial year 2022/23 gives me a great deal of pleasure.

DR MARGARET MKHOSI
Chief Executive Officer

OVERVIEW OF THE ORGANISATIONAL PERFORMANCE OF THE PUBLIC ENTITY

The NRWDI team set itself ambitious priorities to achieve and it was essential that there was a shared understanding of our responsibilities and obligations as public servants to the people of South Africa. Our staff have demonstrated to be a very flexible, adaptable and extraordinarily dedicated group of people in the achievement of these priorities, with the entity achieving a performance benchmark.

In addition to successfully completing its yearly performance priorities, the NRWDI received a clean audit for the year under review. I am glad to say that the organisation has kept up its pursuit of operational excellence. The Institute achieved a clean audit for the sixth year in a row in the 2022/23 fiscal year, proving that the institute upholds and institutionalises a robust

culture of good governance. The clean audits additionally exhibit a steadfast dedication to moral public administration, including careful financial management, operational excellence and leadership, grounded in the highest ethical and moral standards, supporting government's goal of creating a capable, moral and developing state. Forging relationships that will advance NRWDI's mission in the area of research and development for cutting-edge, premium radioactive waste management and disposal solutions was one of the key areas the entity concentrated on during this reporting period. This was as a result of concerted efforts to raise brand awareness through increased, yet targeted stakeholder engagements.

The NRWDI continues to be committed to upholding the high standards that South Africans have for the safe management of radioactive waste in a way that satisfies or exceeds all applicable

regulatory standards and requirements for safeguarding the environment, human health and safety 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 Department of Mineral Resources and Energy (DMRE). The government grant allocation in the current year was R50.304 million, which was an increase of 2.31% on the government grant from the previous year. The entity's revenue budget was augmented by interest income of R1.625 million, bringing the total budgeted revenue to R51.929 million.

In achieving a zero-deficit budget in the financial year under review, R42.846 million was allocated to compensation of employees' expenses, while R9.083 million was allocated to other expenses.

The interest received from the current and call accounts amounted to R2.552 million. In addition to this, an income of R1 058 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. Its cash and cash equivalents are R36.904 million, which is equivalent to a 1.59 cash turnover ratio and a liquidity ratio of 5.75, as at the end of the financial year.

The net asset value for the same period is reported as R30.867 million. The previous financial year's accumulated surplus of R23.52 million, which was calculated according to the Treasury Instruction Note No. 12 of 2020/21, was approved for rollover by National Treasury in November 2022 to be used for the purpose of the entity's information technology (IT) infrastructure costs, nuclear installation licence costs and costs related to the feasibility study of the Centralised Interim Storage Facility (CISF) project

Spending trends of the public entity

The NRWDI's total expenditure increased by 3.11% compared to the previous financial year. A number of factors have contributed to the increased expenditure. While spending on goods and services decreased by 1.63%, total staff costs increased by 4.19% and depreciation costs increased by 1.67%.

The decrease in spending on goods and services was mainly due to a decrease in consulting fees as some projects were placed on hold, a decrease in audit fees as the Auditor-General conducted the audit in-house as opposed to outsourcing it to an external audit firm, a decrease in the number of support hours charged by the South African Nuclear Energy Corporation (Necsa) in respect of IT support as the majority of the queries were attended to by the NRWDI's internal IT staff, and a decrease in the number of hours charged by the National Nuclear Regulator (NNR) in respect of the relicensing of Vaalputs.

The increase in depreciation costs is as a result of additional IT assets acquired in line with the entity's IT architecture and plan, while the cost-of-living adjustments and performance incentives dispensed contributed to the increase in compensation of employees' costs.

Requests for rollover of funds

In the preceding financial year, the NRWDI applied for a retention of surpluses that were realised in 2021/22. This was ring-fenced to be utilised for IT infrastructure costs, nuclear installation licence costs and costs related to the feasibility study of the CISF project. The spending on the aforementioned projects commenced towards the end of the current financial year, but could not be fully concluded by the end of the financial year due to the timing of the approval of the retained surplus, in addition to reasons outside the control of the entity.

Subject to the approval of National Treasury, R28.25 million of the R36.90 million cash and cash equivalent balance will be rolled over and utilised in the 2023/24 financial year to continue and complete the commenced projects related to the IT infrastructure, as well as research and development in respect of the feasibility study of the CISF project, and the last phase of the nuclear installation licence application.

Supply Chain Management

The NRWDI did not conclude any unsolicited bid proposals. The entity continued to implement all supply chain management (SCM) prescripts and policies as required. The NRWDI also ensures that it complies with all guidelines and instructions introduced by National Treasury. In addition, the SCM function has ensured the completion and approval of the NRWDI's SCM Policy and Procedure Manual, and establishing and training bid committees.

The approved SCM system and procedures take a holistic, triple bottom-line approach to managing the interdependent activities of demand, acquisition, inventory and contract administration. The NRWDI has effective measures in place to prevent and detect irregular, and fruitless and wasteful expenditure, and places transparent and fair procurement practices and the ethical treatment of public funds above all else. Management, with a pivotal role played by the SCM Unit, is part of the processes of ensuring compliance with existing SCM and internal control systems and processes, and their maturation.

Particular care is taken to ensure compliance with the pillars of an effective procurement system, which includes ensuring that the NRWDI realises value for money in its procurement by avoiding any unnecessary costs and delays for the entity and suppliers; continuously improving internal procurement processes and systems; and running an open and competitive procurement process – be it through the three-quote system for procurement under the R1 million threshold, or through applicable open tender processes.

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 to have met its obligations towards suppliers by complying with the payment period of 30 days or less.

Outlook/plans for the future to address financial challenges

Funding constraints as a result of the economic downturn and

government's fiscal pressure has had an impact on all organs of state who are reliant on the national fiscus, including the NRWDI. National Treasury's approval of the surpluses retained in the previous financial year, once obtained, has been prioritised to be spent prudently for strategic activities that cannot be met or funded from the operating budget. Notwithstanding the retention of the surplus, without an adjustment in the NRWDI's Medium-term Expenditure Framework (MTEF) baseline allocation, the economic viability of the NRWDI remains a cause for 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, 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 Organisation Economic Cooperation and Development (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 NRWDI and its 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 the 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, once the nuclear installation licence has been obtained, the NRWDI will be concentrating its efforts on leveraging its

cost-recovery efforts from the radioactive waste generators. The proactive strategies that drive the organisation's financial performance provide a level of certainty that the organisation will remain a going concern for the foreseeable future.

The NRWDI awaits the receipt of the nuclear installation licence, which will result in the implementation of the NRWDI Act. Concurrently with this process, transitional planning arrangements are being conducted to ensure the smooth transition of the Vaalputs staff to the NRWDI.

One of the key mandates of the NRWDI, as espoused in the NRWDI Act, is the development and implementation of programmes for the safe storage and disposal of spent nuclear fuel or high-level radioactive waste and long-term intermediate level waste on a national basis. The (CISF) is one such project, which 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's staff. It is important to note that they have remained resilient, flexible and committed to the vision of the organisation in unprecedented times. They were able to ensure that all activities carried out would make a valuable contribution to the key deliverables in the NRWDI's Annual Performance Plan of 2022/23. My sincerest thanks and genuine appreciation go out to each one of you as you have been instrumental in assisting the NRWDI in meeting its objectives, thereby fulfilling its mandate and contribution to government's social and economic imperatives.

The NRWDI does not exist in isolation, and having a Practical Arrangement with the International Atomic Energy Agency (IAEA) provides an excellent opportunity to grow and develop from 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 the 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 vitally 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 Women in Nuclear South Africa (WINSA) chapter in the NRWDI plays an important role in empowering women in the entity. As the previous President of WINSA, I intend assisting these ladies in ensuring that WINSA has a strategic vision to take the women in the nuclear industry to greater heights.

Outcome of AGSA findings

The NRWDI obtained a clean audit for the 2022/23 financial year without any findings.

EVENTS AFTER THE REPORTING DATE

No events took place after the balance sheet date of 31 March 2023.

ACKNOWLEDGEMENTS AND APPRECIATION

I want to start by expressing my profound gratitude to the directors of the NRWDI's Board, as well as its Chairperson, Mr Mogwera Khoathane, for their excellent leadership, forbearance and steadfast support, while they carried out their fiduciary duties.

I also want to thank the Department of Mineral Resources and Energy, and the Portfolio Committee on Mineral Resources and Energy for their assistance and advice. The NRWDI is also grateful for the opportunity to work together with its sister public organisations and strategic partners to enhance service delivery.

My deepest gratitude goes out to the NRWDI team, and to everyone who contributed to the NRWDI achieving its goals, fulfilling its mandate and contributing to the social and economic needs of government.



Dr Margaret Mkhosi

Chief Executive Officer

31 July 2023



4. 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 the Auditor-General of South Africa (AGSA).

The annual report is complete, accurate and free of any omissions.

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

The annual financial statements (Part F) have been prepared in accordance with the Generally Recognised Accounting Practice (GRAP) standards applicable to the public entity.

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

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

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

In our opinion, the annual report fairly reflects the operations, performance information, human resources information and financial affairs of the public entity for the financial year ended 31 March 2023.

Yours faithfully



Dr Margaret Mkhosi

Chief Executive Officer

31 July 2023



Mr Mogwera Khoathane

Board Chairperson

31 July 2023

5. STRATEGIC OVERVIEW



5.1 VISION

To be a world-class radioactive waste disposal organisation.



5.2 MISSION

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



5.3 VALUES

The National Radioactive Waste Disposal Institute (NRWDI)'s values are grounded in strong ethical considerations. As a result, the NRWDI's 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 wellbeing 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.

6. LEGISLATIVE AND OTHER MANDATES

6.1. CONSTITUTION OF THE REPUBLIC OF SOUTH AFRICA, 1996 (ACT 108 OF 1996)

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

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

Everyone has the right:

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

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

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

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

- Manage radioactive waste disposal on a national basis
- Operate the national low-level waste repository at Vaalputs

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

The majority of the above functions are currently performed within the scope of low-level waste inventories. In future, the scope would need to be extended to address the national inventory of radioactive waste consisting of intermediate-

level waste, high-level waste, spent or used nuclear fuel and disused sealed radioactive sources. This implies that alternative disposal concepts would have to be researched, designed and implemented.

6.3. NUCLEAR ENERGY ACT, 1999 (ACT 46 OF 1999)

The NRWDI is an independent entity established by statute under the provision of section 55(2) of the Nuclear Energy Act to fulfil the institutional obligation of the Minister of Mineral Resources and Energy. In accordance with the provisions of the Nuclear Energy Act, the disposal of radioactive waste and storage of irradiated nuclear fuel require the written permission of the Minister of Mineral Resources and Energy, and are subject to such conditions that the Minister, in concurrence with the Minister of Human Settlements, Water and Sanitation, deems fit to impose.

The conditions so imposed will be additional to any conditions contained in a nuclear authorisation as defined in the National Nuclear Regulatory Act (NNRA).

6.4. NATIONAL NUCLEAR REGULATOR ACT, 1999 (ACT 47 OF 1999)

The Act provides for the establishment of a National Nuclear Regulator 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 the protection of persons, property and the environment against nuclear damage; and to provide for matters connected therewith.

6.5. NATIONAL ENVIRONMENTAL MANAGEMENT ACT (NEMA), 1998 (ACT 107 OF 1998)

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

6.6. HAZARDOUS SUBSTANCES ACT, 1973 (ACT 15 OF 1973)

Sealed radioactive sources, including disused sealed sources, are controlled as Group IV Hazardous Substances in terms of the Hazardous Substances Act, and are regulated by the

Directorate Radiation Control in the Department of Health. Currently, all disused sealed radioactive sources are temporarily stored at the South African Nuclear Energy Corporation (Necsa) because final disposal has not yet been defined in radioactive waste management plans.

The disposal of all radioactive material is regulated by the National Nuclear Regulator. The safety, security and control of disused radioactive sources is a high priority in the context of international commitments to prevent radiation accidents that may be caused by the potential abuse and misuse of such sources for malicious purposes. The 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.

6.7. 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 of South Africa, give effect to the principle of the state's custodianship of the nation's mineral and petroleum resources, and to section 24 of the Constitution by ensuring that the nation's mineral and petroleum resources are developed in an orderly and ecologically sustainable manner, while promoting justifiable social and economic development, and promote equitable access to the nation's mineral and petroleum resources to all the people of South Africa.

6.8. NATIONAL WATER ACT, 1998 (ACT 36 OF 1998)

The purpose of this Act is to ensure that the nation's water resources are protected, used, developed, conserved, managed and controlled in ways that take into account, among other factors, promoting equitable access to water, redressing the results of past racial and gender discrimination, promoting the efficient, sustainable and beneficial use of water in the public interest, facilitating social and economic development, protecting aquatic and associated ecosystems and their biological diversity, meeting international obligations.

6.9. PUBLIC FINANCE MANAGEMENT ACT, 1999 (ACT 1 OF 1999, AS AMENDED BY ACT 29 OF 1999)

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

6.10. PROMOTION OF ADMINISTRATIVE JUSTICE ACT, 2000 (ACT 3 OF 2000)

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

6.11. PREFERENTIAL PROCUREMENT POLICY FRAMEWORK ACT, 2000 (ACT 5 OF 2000)

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

6.12. PROMOTION OF ACCESS TO INFORMATION ACT, 2000 (ACT 2 OF 2000)

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

6.13. INTERGOVERNMENTAL RELATIONS FRAMEWORK ACT, 2005 (ACT 13 OF 2005)

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

6.14. SKILLS DEVELOPMENT ACT, 1998 (ACT 97 OF 1998)

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

6.15. EMPLOYMENT EQUITY ACT, 1998 (ACT 55 OF 1998)

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

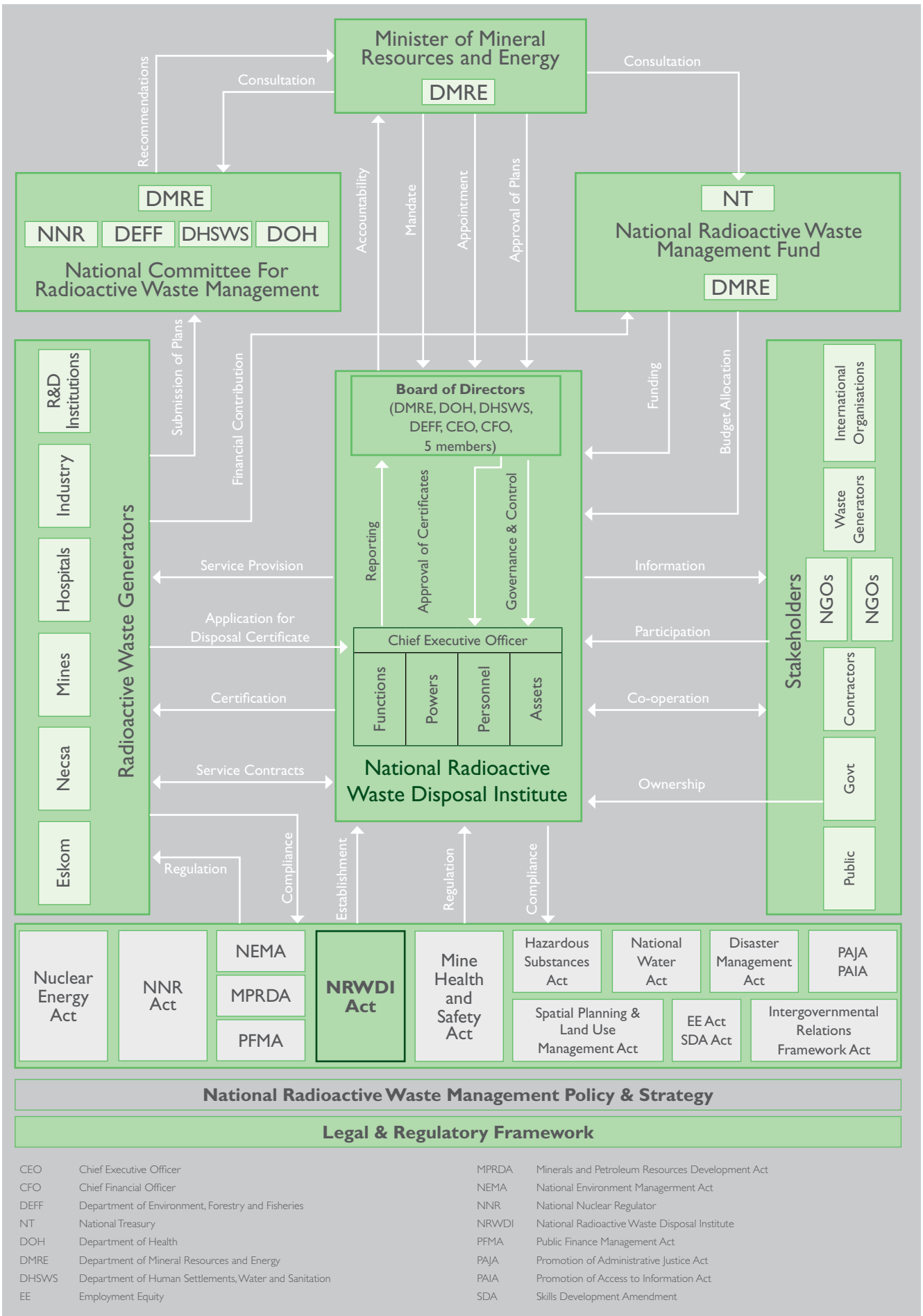
6.16. DISASTER MANAGEMENT ACT, 2002 (ACT 57 OF 2002)

This Act provides for an integrated and coordinated 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.

6.17. SPATIAL PLANNING AND LAND USE MANAGEMENT ACT, 2013 (ACT 16 OF 2013)

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

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



7. 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.

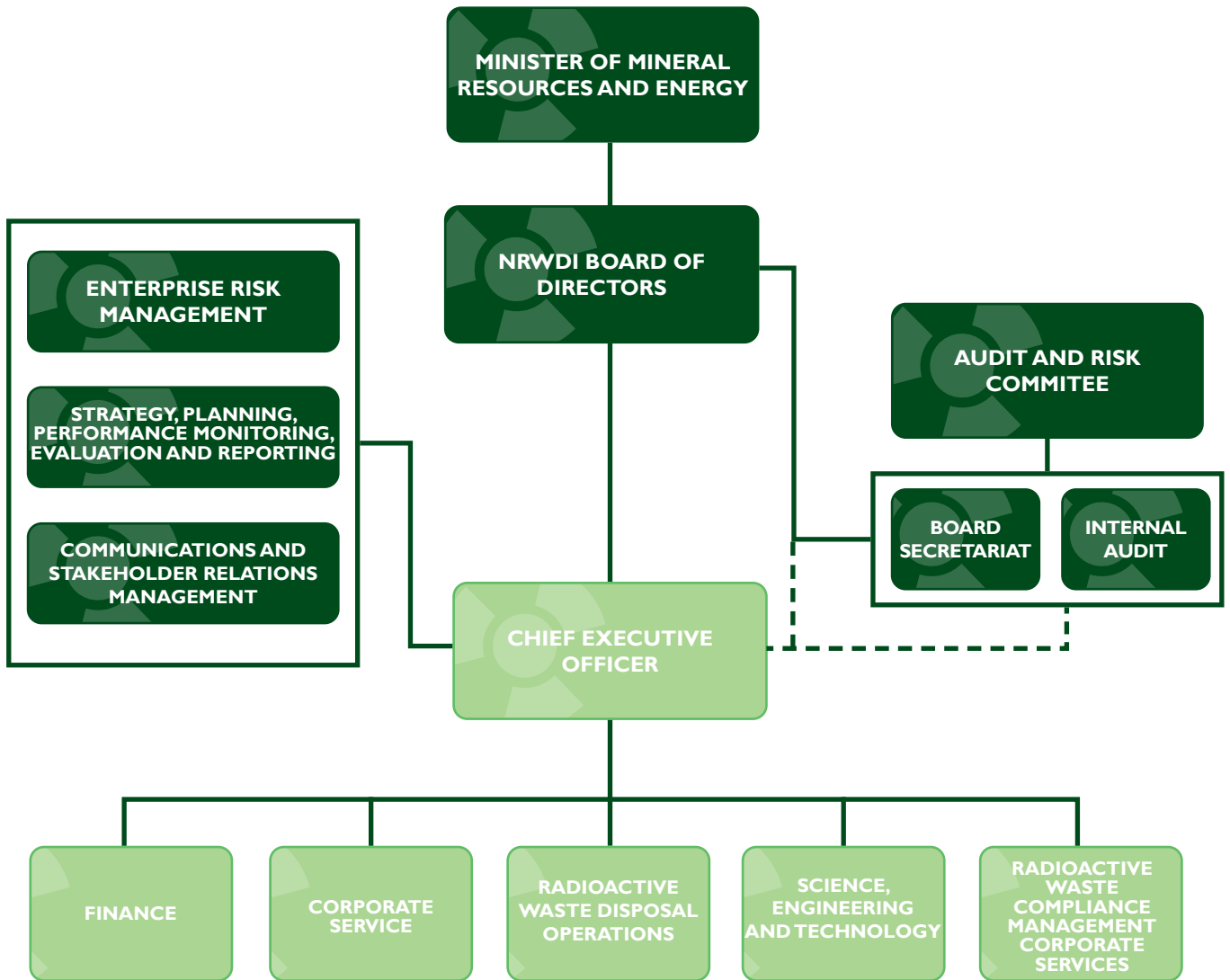


Figure 2: The NRWDI's organisational structure

8. BOARD MEMBERS



MR MOGWERA KHOATHANE
BOARD CHAIRPERSON



MS ANELISWA CELE
BOARD MEMBER



**MSTOVHOWANI
NYAMANDE**
BOARD MEMBER



MS. LEANDRA MTSHALI
BOARD MEMBER



DR KGAUGELO CHILOANE
BOARD MEMBER



MR THABISO PIE
BOARD MEMBER



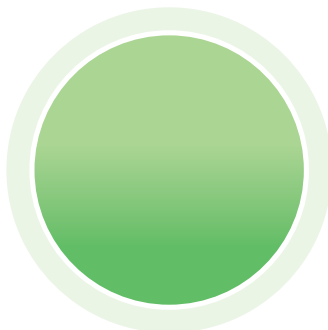
MS LERATO MAKGAE
BOARD MEMBER



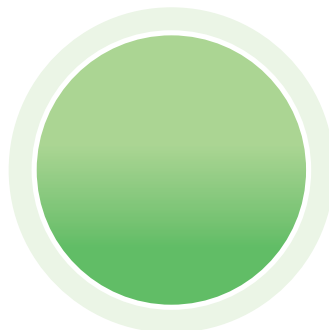
DR MARGARET MKHOSI
CHIEF EXECUTIVE OFFICER



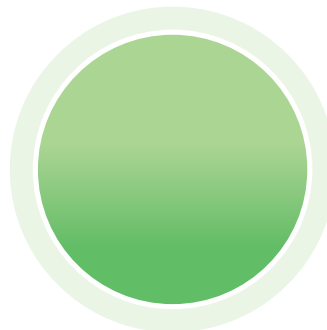
MR JUSTIN DANIEL
CHIEF FINANCIAL OFFICER



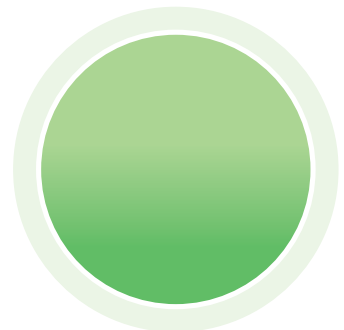
**MS MAMOGALA
MUSEKENE**
BOARD MEMBER



MR MOERANE MAIMANE
BOARD MEMBER



MR OBED BALOYI
BOARD MEMBER



**DR JABULANI
MALULEKE**
BOARD MEMBER

9. EXECUTIVE COMMITTEE



DR MARGARET MKHOSI
CHIEF EXECUTIVE OFFICER



MR JUSTIN DANIEL
CHIEF FINANCIAL OFFICER



MR ALAN CAROLISSEN
CHIEF OPERATIONS OFFICER/
ACTING EXECUTIVE MANAGER:
RADWASTE COMPLIANCE
MANAGEMENT



DR VUSITWALA
CHIEF TECHNOLOGY OFFICER



MR ZWELI NDZIBA
EXECUTIVE MANAGER:
CORPORATE SERVICES



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

PART B

Performance Information



PART B: PERFORMANCE INFORMATION

I. AUDITOR'S REPORT: PREDETERMINED OBJECTIVES

The Auditor-General of South Africa (AGSA) currently performs the necessary audit procedures on the NRWDI's performance information to provide reasonable assurance in the form of an audit conclusion. The audit conclusion on the performance against predetermined objectives is included in the report to management, with material findings being reported under "Predetermined objectives" in the Report on Other Legal and Regulatory Requirements section of the Auditor's Report.

Refer to page 60 of the report for the Auditor's Report, published as Part F: Financial Information.

2. SITUATIONAL ANALYSIS

2.1 Service delivery environment

The NRWDI's service delivery environment during the period of review has been centered around the application for the Nuclear Installation Licence (NIL-43) and the responses for clarity that were required within the regulatory environment. The awarding of NIL-43 will make provision for the transfer of the Vaalputs Radioactive Waste Disposal Site from Necsa to the NRWDI.

This will result in the transfer of employees, assets and liabilities for which it requires careful planning and communications, thereby ensuring that a seamless transition takes place. The change management processes are absolutely essential to the delivery of the NRWDI's mandate, hence the Vaalputs Functional Shift meetings were a priority, which assisted in ensuring that the necessary plans were in place for the transition.

2.2. Organisational environment

The organisation faced a few setbacks during the reporting cycle, which gave rise to negative publicity for the institute. The setbacks provided the NRWDI with an opportunity to reflect, grow and innovate to improvise the situation. There was disruption in its leadership when the Chairperson, Ms T Zungu,

resigned on 6 March 2023. The DMRE appointed the Deputy Chair, Mr M Khoathane, as Chairperson of the NRWDI Board.

2.3. Key policy developments and legislative changes

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

2.4. Progress towards the achievement of institutional impacts and outcomes

The impact that the NRWDI seeks to achieve, as stated in the Strategic Plan 2020–2025, is "safe, secure, socially acceptable and environmentally sustainable solutions for radioactive waste disposal". 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. The safe and secure disposal of all classes of radioactive waste
3. Centralised storage of spent nuclear fuel
4. Compliance with applicable legislative and regulatory requirements.

With the appointment of the new Chief Executive Officer (CEO) on 1 November 2021, and the imminent issue of the NIL43, it was necessary to review the institute's outcomes that are related to its core business. The amended outcomes were included as an annexure in the Annual Performance Plan 2022/23, from pages 61 to 69.

2.4.1 An effective, efficient and responsive NRWDI

Leadership and accountability play a critical role for an effective and efficient organisation. In turn, efficiency and effectiveness are critical elements of high-performance organisations. The Administration Programme plays a catalytic role in supporting the NRWDI towards achieving government's Medium-term Strategic Framework (MTSF) Priority 1: A 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 implemented a strategic human resources plan to ensure that staff are suitably qualified and experienced to execute the NRWDI's mandate.

Staff participated in various training courses to upskill them. The NRWDI has strengthened its supply chain management processes to prevent and detect irregular, fruitless and wasteful expenditure. No such expenditure has been incurred for the period under review.

2.4.2 The safe and secure disposal of all classes of radioactive waste

The NRWDI remains committed to fulfilling the vast expectations of South Africans to dispose 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: Priority 1: A capable, ethical and developmental state, and Priority 2: Economic transformation and job creation. The NRWDI 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.

2.4.3 Centralised storage of spent nuclear fuel

There is currently no national "away from reactor site" and related disposal infrastructure available for the management of spent nuclear fuel, except for an "on-reactor site" storage infrastructure. The Science, Engineering and Technology Programme focuses on the establishment of a national Centralised Interim Storage Facility (CISF) by 2030 for the safe storage of Koeberg's spent fuel and other high-level waste.

This programme plays a key role in supporting two of the MTSF priorities: Priority 1: A capable, ethical and developmental state, and Priority 2: Economic transformation and job creation.

The NRWDI obtained Ministerial approval to commence with designing, developing and establishing the CISF for the long-

term, off-site and above-ground storage of South-Africa's spent nuclear fuel. The 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 between government, business, labour, communities and civil society that will result in job creation, skills development, inclusive growth and economic transformation to give impetus to the creation of a capable, ethical and developmental state.

2.4.5 Compliance with applicable legislative and regulatory requirements

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

This programme plays a key role in supporting two of the MTSF priorities: Priority 1: A capable, ethical and developmental state, and Priority 2: Economic transformation and job creation.

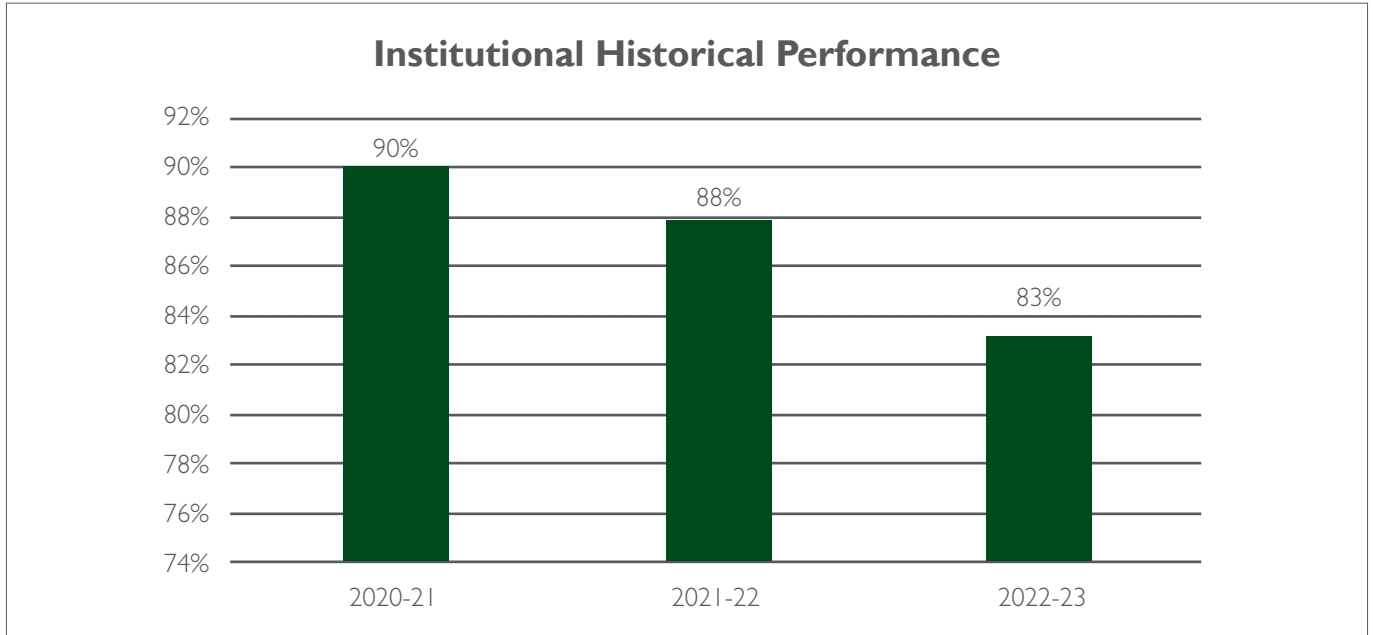
The NRWDI's application for a nuclear installation licence to manage and operate the Vaalputs National Radioactive Waste Disposal Facility was supported by all the safety case documents, which included the IMS documents submitted by the NRWDI, for the license application. These were completed and reviewed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

The public participation process for the NRWDI's nuclear installation licence application and associated Public Information Document (PID) was concluded by the end of 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 licence application. The NRWDI is currently awaiting further direction from the NNR to conclude the licensing process.

3. INSTITUTIONAL PROGRAMME PERFORMANCE INFORMATION

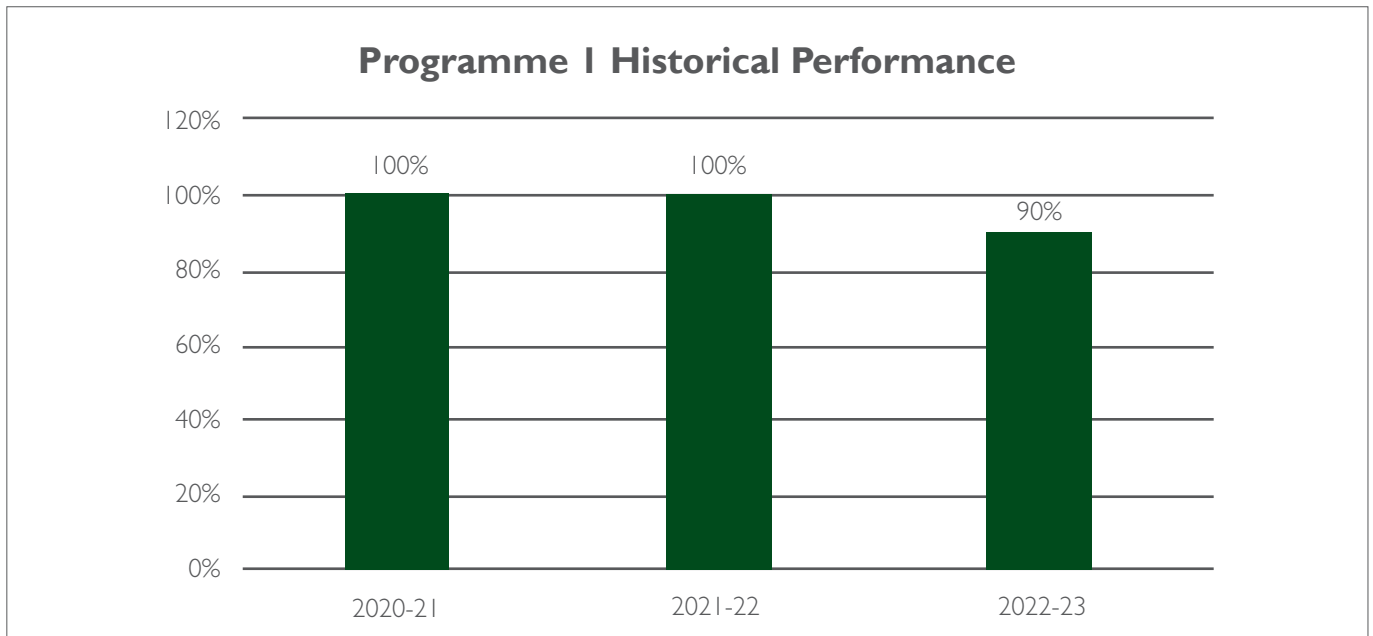
3.1 INSTITUTIONAL PERFORMANCE INFORMATION

The institutional performance for the past 3 years is depicted as follows:



3.2 PROGRAMME I:ADMINISTRATION

The programme performance for the past 3 years is depicted as follows:



Purpose of the programme

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

Subprogrammes

The core outcome is achieved through the provision of key corporate functions under the following subprogrammes:

- (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.
- (ii) **Risk Management** is responsible for coordinating and supporting the overall institutional risk management process, ensuring that risks are identified and managed so that they do not impact negatively on 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) **The 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, 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 procurement legislation and principles of good corporate governance.
- (vii) **Corporate Services** 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 Management (HRM) provides transformational human resources (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 subprogrammes contribute to the following Strategic Plan outcome: Effective, efficient and responsive NRWDI, and supports the MTSF Priority 1: A capable, ethical and developmental state, by contributing to the following:

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

The programme performance against the 2022/23 Annual Performance Plan outcome targets is depicted in the following table:



Programme I: Actual performance against predetermined objectives

Outcomes	Outputs	Output indicators	Actual achievement 2019/20	Actual achievement 2020/21	Actual achievement 2021/22	Planned target 2022/23	Actual achievement 2022/23	Reason for variance
Effective, efficient and responsive NRWDI	Implemented finance strategic plan	Percentage implementation of five-year finance strategic plan	No target	80% implementation of Year 1 of finance strategic plan	100% implementation of Year 2 of finance strategic plan	No target	No target	N/A
	Implemented human capital strategic plan	Percentage implementation of five-year human capital strategic plan	No target	80% implementation of Year 1 of human capital strategic plan	86% implementation of Year 2 of human capital strategic plan	No target	No target	N/A
	Unqualified audit report	Unqualified audit report	No target	Unqualified audit report for 2020/21	Unqualified audit report for 2021/22	Unqualified audit report for 2022/23	Audit opinion for 2022/23 will only be received upon conclusion of the AGSA audit.	None
	Financial sustainability plan	Financial sustainability plan	N/A	N/A	N/A	Financial sustainability assessment completed	Financial sustainability assessment completed	None
	100% of valid invoices paid within 30 days after relevant documents are received	Percentage of valid invoices paid within 30 days after relevant documents are received	N/A	N/A	N/A	100% of valid invoices paid within 30 days after relevant documents are received	100% of valid invoices paid within 30 days after relevant documents are received	None
	Staff capacity building/ talent management	Number of training courses attended by staff	N/A	N/A	N/A	Twenty training courses attended	Twenty training courses attended	None
		Number of interns employed	N/A	N/A	N/A	Two interns employed	Two interns employed	None

Outcomes	Outputs	Output indicators	Actual achievement 2019/20	Actual achievement 2020/21	Actual achievement 2021/22	Planned target 2022/23	Actual achievement 2022/23	Reason for variance
	Employment Equity (EE) Plan implementation	Percentage of people with disabilities employed	N/A	N/A	N/A	2% of people with disabilities employed	2% of people with disabilities employed	None
	Secure NRWDI Active Directory Domain in place	Implemented Secure Active Directory Domain	N/A	N/A	N/A	Procurement of NRWDI Secure Active Directory Domain: Infrastructure Install Connectivity	Target partially achieved Preparatory work for procurement completed Installation needs to take place	Dependent on tender approval
	Develop and maintain a National Radioactive Waste Database (RAWIS)	Functional and populated RAWIS	N/A	N/A	N/A	Incorporate additional user requirements on RAWIS system and migrate all existing data from old Necca Radwaste Inventory System	Target partially achieved Additional user requirements on RAWIS system incorporated and existing data from old Necca Radwaste Inventory system migrated	Handover could not take place as Vaalputs still resorts under Necca
	Strategic Partnerships and Collaborations Framework	Partnerships and Collaborations Framework developed and implemented	N/A	N/A	N/A	Board approved Partnership and Collaborations Framework	Target partially achieved Draft Partnerships and Collaborations Framework not yet reviewed	Resource constraints due to resignation of Legal Services official
	Public Safety Information Forum (PSIF) meetings held with communities surrounding Vaalputs	Number of PSIF meetings held with communities surrounding Vaalputs	N/A	N/A	N/A	Four PSIF meetings held with communities surrounding Vaalputs	Target deferred	N/A
	Communications and Stakeholder Engagement Plan	Percentage implementation of the Communications and Stakeholder Engagement Plan	N/A	N/A	N/A	80% implementation of the Communications and Stakeholder Engagement Plan	80% implementation of the Communications and Stakeholder Engagement Plan	None
	Improved efficiency and effectiveness of all governance structures	Board approved Corporate Governance Framework	N/A	N/A	N/A	Approval of the Corporate Governance Framework	Target partially achieved Document drafted, supported at Audit and Risk Committee, but not approved by Board	To be tabled at the next Board meeting

Strategy to overcome areas of under-performance

Targets that were not achieved for the reporting period will be taken to the Divisional Annual Operational Plans for the 2023/24 financial year.

Changes to planned targets

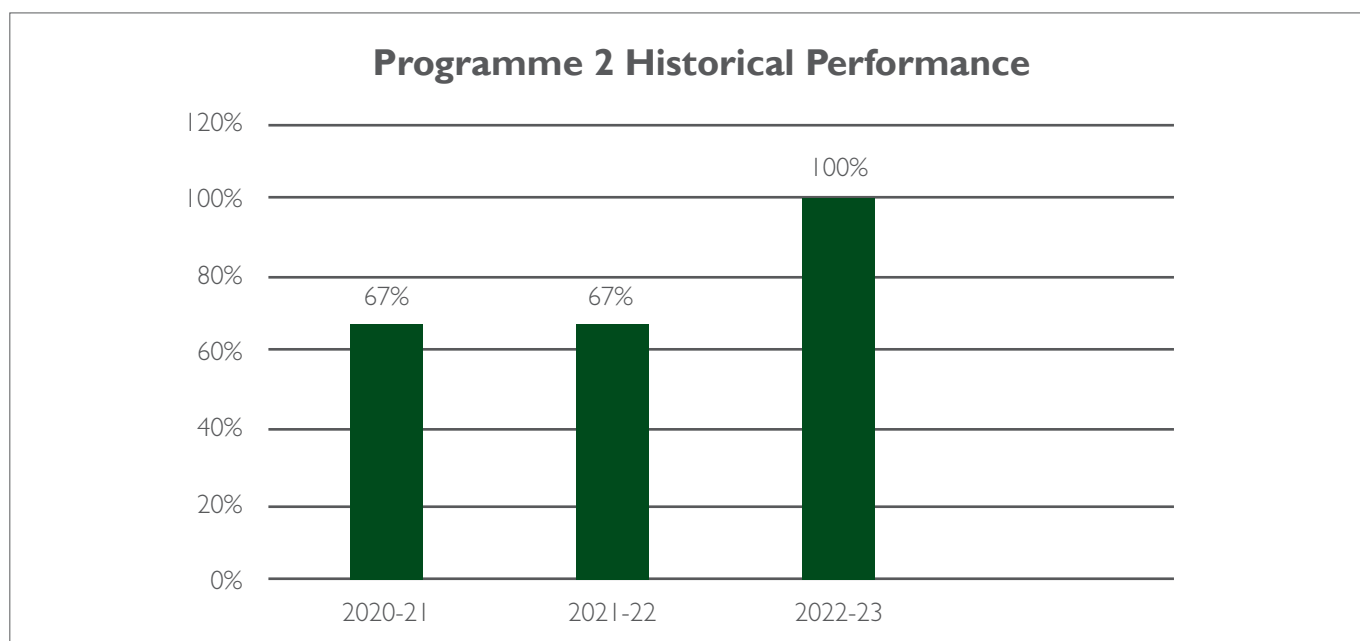
The target relating to the Vaalputs Public Safety Information Forum meetings (VPSIF) was deferred by the Board due to the fact that the responsibility for these meetings is the license holder. The NRWDI is not yet the license holder. A Ministerial submission for deferment was sent to the DMRE.

Linking performance with budgets

PROGRAMME I	2022/23			2021/22		
Programme, activity or objective	Budget	Actual expenditure	(Over-)/under-expenditure	Budget	Actual expenditure	(Over-)/under-expenditure
	R'000	R'000	R'000	R'000	R'000	R'000
Administration	36,037	33,662	2,375	34,173	30,475	3,698
Total	36,037	33,662	2,375	34,173	30,475	3,698

3.3 PROGRAMME 2: RADIOACTIVE WASTE DISPOSAL OPERATIONS

The programme performance for the past 3 years is depicted as follows:



Purpose of the 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 the management and disposal of radioactive waste material must be carried out in such a manner that human health and the environment are protected.

The following activities are inherently part of Radioactive Waste Disposal Operations:

- (i) Manage, operate and monitor operational radioactive waste disposal facilities, including the related predisposal management of radioactive waste on disposal sites
- (ii) Manage ownerless radioactive waste on behalf of the government, including the development of radioactive waste management plans for such waste
- (iii) 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 following Strategic Plan outcome: Safe disposal of all classes of radioactive waste, and supports two of the MTSF priorities: Priority 1: A capable, ethical and developmental state, and Priority 2: Economic transformation and job creation.

The programme performance against the 2022/23 Annual Performance Plan outcome targets is depicted in the following table:

Outcomes	Outputs	Output indicators	Actual achievement 2019/20	Actual achievement 2020/21	Actual achievement 2021/22	Planned target 2022/23	Actual achievement 2022/23	Reason for variance
Safe and secure disposal of all classes of radioactive waste	All radioactive waste classes disposed of	Percentage compliance rate for annual SHEQ audit for disposal facilities on Vaalputs site	80%	80%	80%	No target	N/A	N/A
		Number of PSIF meetings held with communities surrounding Vaalputs	4	2	4	No target	N/A	N/A
National Waste Inventory Report	Radioactive waste safely and securely disposed of at Vaalputs Preparation for physical security upgrades for Vaalputs to store or dispose of other radioactive waste classes	Percentage acceptance rate for the disposal of waste packages received from waste generators for disposal	N/A	95%	100%	No target	N/A	N/A
		Waste acceptance criteria (WAC) met for low-level waste Physical security upgrade implementation plan completed	No target	No target	No target	100% WAC met for low-level waste Establish requirements for security upgrades	100% WAC met for low-level waste Requirements for security upgrades established	None None
National Waste Inventory Report	Preparation for publication of a National Waste Inventory Report	Draft National Waste Inventory Report completed	No target	No target	No target	Develop a Framework for the National Waste Inventory Report	Framework for the National Waste Inventory Report developed	None

Strategy to overcome areas of under-performance

There is no strategy as all targets were achieved in the reporting cycle.

Changes to planned targets

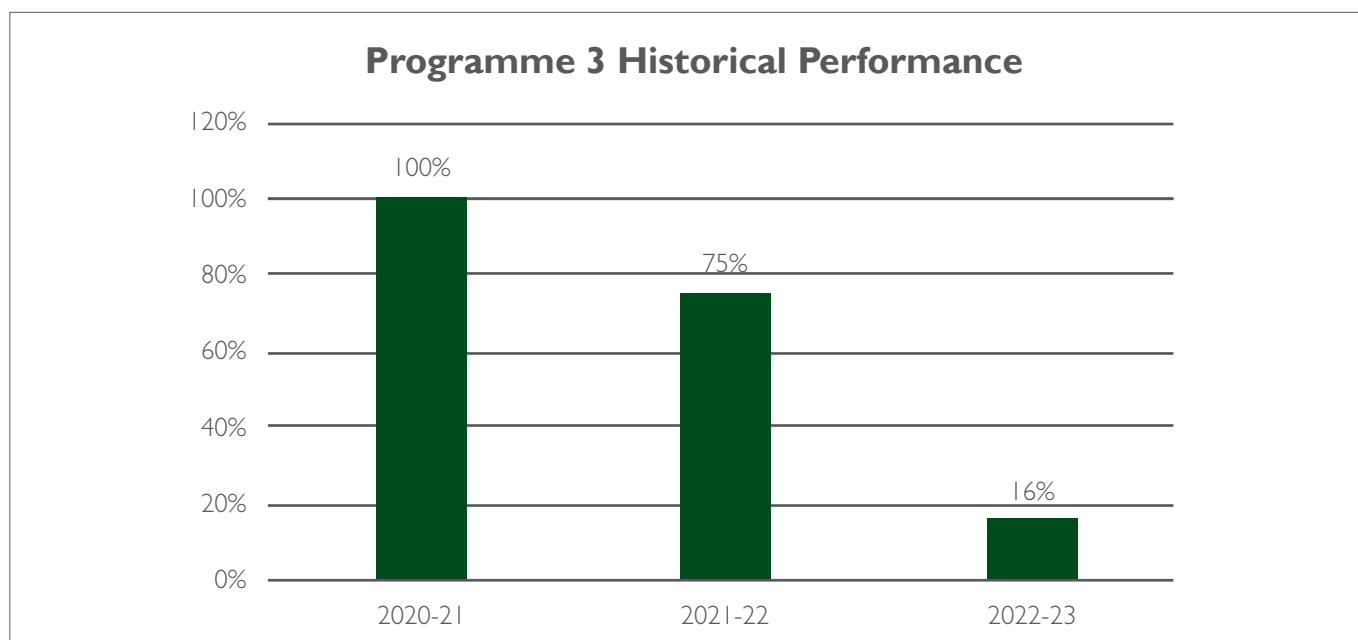
There were no changes to the planned targets.

Linking performance with budgets

PROGRAMME 2	2022/23			2021/22		
Programme, activity or objective	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	1,986	2,393	(407)	2,774	2,548	226
Total	1,986	2,393	(407)	2,774	2,548	226

3.4 PROGRAMME 3: SCIENCE, ENGINEERING AND TECHNOLOGY

The programme performance for the past 3 years is depicted as follows:



Purpose of the 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 Science, Engineering and Technology:

- 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 of South Africa at a frequency determined by the Board of Directors

The programme contributes to the following Strategic Plan outcome: Centralised storage of spent nuclear fuel, and supports two of the MTSF priorities: Priority 1: A capable, ethical and developmental state, and Priority 2: Economic transformation and job creation. The programme performance against the 2022/23 Annual Performance Plan outcome targets is depicted in the following table:

Programme 3: Actual performance against predetermined objectives

Outcomes	Outputs	Output indicators	Actual achievement 2019/20	Actual achievement 2020/21	Actual achievement 2021/22	Planned target 2022/23	Actual achievement 2022/23	Reason for variance
Centralised storage of spent nuclear fuel	CISF established	Percentage of CISF project plan implemented	N/A	20%	75% of CISF project plan implemented	No target	N/A	N/A
Capability for new radioactive waste disposal facilities established	CISF project development	CISF project progress reports	No target	No target	No target	Preliminary design developed	Target deferred	Finance and procurement challenges
						EIA Phase I performed (i.e. application to competent authority lodged)	Target deferred	
Established R&D programme for long-term radioactive waste management solutions	R&D programme launched	R&D scientific and technical reports	No target	No target	No target	R&D strategy developed	Target partially achieved The strategy was developed and tabled at the Technical and Operations Committee	The strategy did not have a costing plan. Referred back to management

Strategy to overcome areas of under-performance

The targets have been refined and included in the Annual Performance Plan 2023/24 so that it aligns to that of the shareholder department. The Annual Operational Plan also contains targets to ensure that there is no underperformance in this programme.

Changes to planned targets

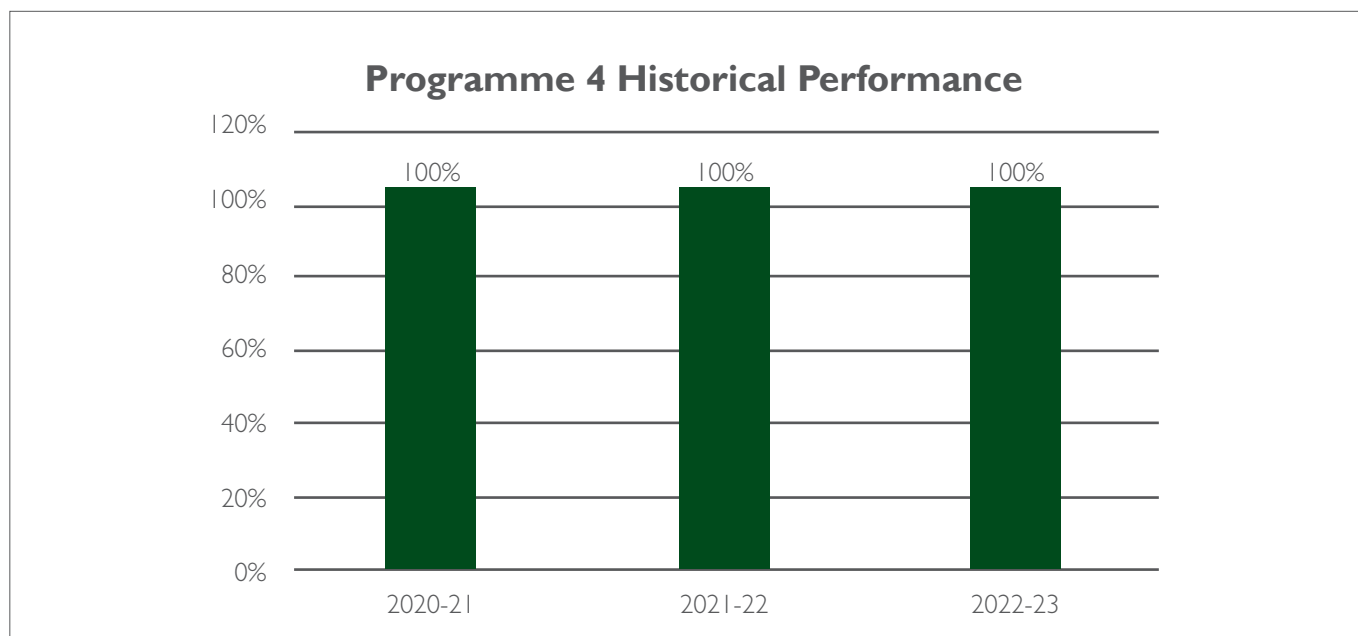
There were no changes to the targets in the reporting period.

Linking performance with budgets

PROGRAMME 3	2022/23			2021/22		
Programme, activity or objective	Budget	Actual expenditure	(Over-)/under-expenditure	Budget	Actual expenditure	(Over-)/under-expenditure
	R'000	R'000	R'000	R'000	R'000	R'000
Science, Engineering and Technology	4,689	4,961	(272)	5,232	4,860	372
Total	4,689	4,961	(272)	5,232	4,860	372

3.5 PROGRAMME 4: RADIOACTIVE WASTE COMPLIANCE MANAGEMENT

The programme performance for the past 3 years is depicted as follows:



Purpose of the programme

The purpose of the programme is to ensure that the NRWDI's core mandate (the disposal of radioactive waste on a national basis) is executed in compliance with quality, health, safety, environmental and nuclear licensing 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.

Radioactive Waste Compliance Management provides a support function to the NRWDI in terms of developing and ensuring compliance with the nuclear installation licence, including the required safety, health, environment and quality management systems.

The following activities are inherently part of Radioactive Waste Compliance Management:

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

The programme and subprogrammes contribute to the following Strategic Plan outcomes: Compliance with applicable legislative and regulatory requirements, the safe and secure disposal of all classes of radioactive waste, and centralised storage of spent nuclear fuel, and support MTSF Priority 1: A capable, ethical and developmental state.

The programme performance against the 2022/23 Annual Performance Plan outcome targets is depicted in the following table:



Programme 4: Actual performance against predetermined objectives

Outcomes	Outputs	Output indicators	Actual achievement 2019/20	Actual achievement 2020/21	Actual achievement 2021/22	Planned target 2022/23	Actual achievement 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	80% of the annual project plan for the implementation of the Radiation Protection Programme executed	80% of the annual project plan for the implementation of the Radiation Protection Programme	No target	89% of the annual project plan for the 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 license development process.
		Percentage implementation of a quality management system for NRWDI that is ISO 9001-compliant	N/A	80% of the annual project plan for the implementation of an ISO 9001-compliant quality management system executed	80% of the annual project plan for the implementation of an ISO 9001-compliant quality management system executed	No target	120% of the annual project plan for the implementation of an ISO 9001-compliant quality management system executed	This implies that additional work often needs to be done that was not initially foreseen.
Ensure compliance with statutory compliance	Compliance assurance plan implemented	Percentage implementation of an ISO-compliant safety, health and environmental (SHE) management system for NRWDI	N/A	80% of the annual project plan for the implementation of an ISO SHE management system executed	125% of the annual project plan for the implementation of an ISO SHE management system executed	No target	125% of the annual project plan for the implementation of an ISO SHE management system executed	
		Safety, health, environment and quality (SHEQ) licensing and RP training/awareness sessions conducted	No target	No target	No target	Four SHEQ training/awareness sessions		

Strategy to overcome areas of under-performance

No areas of underperformance have been identified.

Changes to planned targets

There were no changes to the planned targets.

Linking performance with budgets

PROGRAMME 4	2022/23			2021/22		
Programme, activity or objective	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	9,217	7,706	1,511	8,712	9,322	(610)
Total	9,217	7,706	1,511	8,712	9,322	(610)



PART C

Governance



PART C: GOVERNANCE

INTRODUCTION

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

1. PARLIAMENTARY PORTFOLIO COMMITTEE ON ENERGY

The 2022/23 Annual Performance Plan was submitted to the Parliamentary Portfolio Committee on Mineral Resources and Energy on 14 April 2022.

2. EXECUTIVE AUTHORITY

The PFMA, Treasury Regulation 26.1 and section 8.4.1 of the Revised Framework of Strategic Plans and Annual Performance Plans, issued by National Treasury, prescribe that the Accounting Authority is to submit quarterly performance reports to the Executive Authority within 30 days after the end of each quarter, with particular reference to monitoring delivery against quarterly performance targets.

During the 2022/23 financial year, the NRWDI was fully compliant with the above-mentioned statutory reporting requirement. The NRWDI's quarterly integrated performance and compliance reports, which outline the NRWDI's performance against the 2022/23 Annual Performance Plan, the NRWDI's financial performance and position, as well as the state of the NRWDI's governance environment, including compliance and risk management, were prepared and approved by the Accounting Authority and submitted to the Executive Authority.

3. THE ACCOUNTING AUTHORITY (BOARD)

3.1 Introduction

In terms of section 7 of the NRWDI Act, the Board of Directors is the Accounting Authority, as contemplated in section 49(2) (a) of the PFMA.

The Board affirms its commitment to the highest standards of corporate governance. It recognises that practices and

procedures can always be improved, and will therefore continually review the NRWDI's own norms and standards.

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 IV Code on Corporate Governance and the PFMA, which are integral parts of NRWDI's objectives.

The primary objective of corporate governance is to ensure that the Board and those who manage the NRWDI's day-to-day operations carry out their responsibilities faithfully and effectively, while placing the interests of the organisation ahead of their own. This process is facilitated through the establishment of appropriate reporting and control structures within the NRWDI.

As the Accounting Authority, the Board is accountable to the Executive Authority and is ultimately responsible for the implementation of sound corporate governance practices in accordance with King IV and the agreed Shareholder's Compact. The Board and its subcommittees will continue to pay attention to issues of governance, including transparency, disclosure, financial control and accountability.

3.2 The roles and responsibilities of the Board of Directors

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

- 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 following an agreed procedure and by disclosing real or perceived conflict-related matters to the Board and by dealing with the matters accordingly.

3.3 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 do the following:

- Review the NRWDI's objectives
- Review the strategies for achieving the NRWDI's objectives
- Approve the annual financial statements, report to shareholders and engage with stakeholders
- Review the NRWDI's internal and external audit reports
- Review the performance of and necessity for the composition of the Board and Board committees
- Review remuneration policies and practices in general
- Review risk assessment policies and controls, including compliance with legal and regulatory requirements

The Board Charter is closely aligned with the principles enshrined in the King IV Code on Corporate Governance.

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

3.4 Board composition

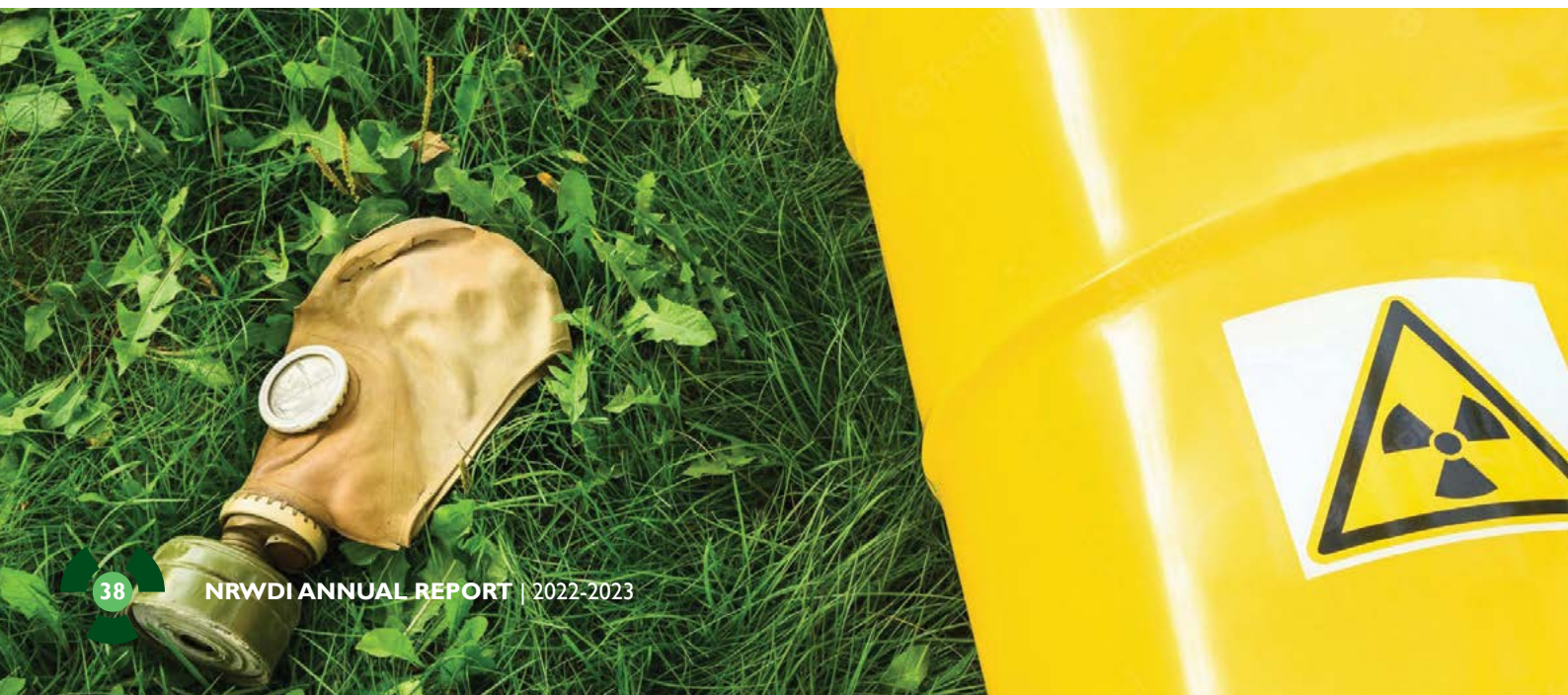
The Minister of Mineral Resources and Energy appointed the NRWDI's Board of Directors in terms of section 7 of the National Radioactive Waste Disposal Act for a period of three years.

The Board is comprised of the following:

- An official of the Department of Mineral Resources and Energy designated by the Minister
- An official nominated by the Department of Forestry, Fisheries and the Environment
- An official nominated by the Department of Human Settlements, Water and Sanitation, appointed by the Minister
- An official nominated by the Department of Health, appointed by the Minister
- Not more than five other directors
- The Chief Executive Officer of the NRWDI
- 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 and finance, as well as technical nuclear matters related to the legislative mandate of the organisation. The Board has established several committees to assist it in executing its mandate.

During the period under review, the Board held 13 meetings. The Board membership and the meetings attended are depicted in the table below:



Composition of the Board

Name	Date Appointed	Date on which appointment expires	Qualifications	Area of expertise	Board directorships	Other commitments or task teams	Number of meetings attended
Mr Mogwera Khoathane (Chairperson)	11 Aug 2020 –	10 Aug 2023	BSc Hons in Physics; Management Development Programme; Postgraduate Diploma in Business Management; MBL	Nuclear Radiation Protection	Saracansa (Pty) Ltd, Zimkile Consulting (Pty) Ltd, Lekgotla Investment Trust	None	12 of 13
Ms. Lerato Makgae	11 Aug 2020	–10 Aug 2023	MSc-Applied Radiation Science and Technology	Nuclear Policy	None	None	10 of 13
Mr Thabiso Pie (Alternate DMRE rep.)	20 Nov 2021 –	19 Nov 2024	BSc. (Physics and Computational Physics); B. Med. Sc. Honours (Medical Physics); BSc. Honours (Physics); Post-Graduate Diploma in Science: Radiation Protection; MBA	Nuclear Safety	None	None	5 of 13
Ms Mamogala Musekene	20 Nov 2021	19 Nov 2024	BSc. (Hons) Chemistry; B.Sc. Chemistry & Physics; Executive Development Programme	Chemicals / Waste Management	None	None	7 of 13
Mr Obed Baloyi (Alternate FFE rep.)	20 Nov 2021	19 Nov 2024	BA Honours; Post Graduate Certificate in Management; Diploma in Project Management	Chemicals / Waste Management	None	Board Oversight Task Team	11 of 13
Ms Aneliswa Cele	20 Nov 2021	19 Nov 2024	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	Environmental Health	None	None	8 of 13
Ms Tovhowani Nyamande	22 Feb 2022 –	21 Feb 2025	PHD (Agriculture & Environmental Sciences); MSc: Integrated Water Resource Management; BSc (Honours): Botany; BSc: Education		None	None	1 of 11
Dr Jabulani Maluleke (Alternate DWS rep.)	22 Feb 2022 –	21 Feb 2025	Doctor of Business Administration (current); Masters in Management; Masters in Business Administration; Post Graduate Diploma Business Administration; BSc: Zoological Sciences		None	None	6 of 11

Name	Date Appointed	Date on which appointment expires	Qualifications	Area of expertise	Board directorships	Other commitments or task teams	Number of meetings attended
Ms Leanda-Marsha Mtshali	11 Aug 2020 –	10 Aug 2023	LLB; Advanced Corporate Law I & II; Postgraduate Diploma in Corporate Law	Legal	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	HR-SEC Task Team Board Oversight Task Team	13 of 13
Dr Kgaugelo Chiloane	11 Aug 2020 –	10 Aug 2023	Bachelor of Science in Chemistry; BSc Honours in Chemistry; MSc in Environmental Science; PhD in Environmental Science	Environmental Safety	KEC Environmental Solutions (Pty) Ltd, Adaptation Institute of Southern Africa, Advisory Panel Member of SA Centre of Nuclear Safety and Security	HR-SEC Task Team Board Oversight Task Team	12 of 13
Dr Margaret Mkhosi	Linked to CEO position	Linked to CEO position	PhD in Nuclear Engineering; MSc in Nuclear Engineering; MSc Physics; BSc Honours in Physics; BSc	Leadership, Nuclear	None	None	8 of 8
Mr Justin Daniel	Linked to CFO position	Linked to CFO position	Financial Management, Financial Accounting, Supply Chain Management Asset Management	Finance, Asset Management	None	None	8 of 8
RESIGNED BOARD MEMBERS							
Ms Thandeka Zungu (Chairperson) Resigned 06 March 2023	11 Aug 2020 –	10 Aug 2023	B Com; Postgraduate Diploma in Education; Public Sector Governance	Leadership, Risk Management, Auditing	None	Board Oversight Task Team	11 of 12
Dr Cornelius Ruiters Retired 30 August 2022	11 Aug 2020 –	10 Aug 2023	BSc (Hons); MSc; PhD (Natural Science); Graduate Diploma in Engineering; MEng (Civil Engineering); MBA; PhD (Civil Engineering)	Large Infrastructure and Project Management	CRE Consulting (Pty) Ltd	HR-SEC Task Team	2 of 3

Board notes

- Ms Thandeka Zungu, former Chairperson of the Board, resigned from the position on 5 March 2023
- Mr Khoathane was appointed as Chairperson of the Board on 28 March 2023
- Dr Cornelius Ruiters resigned as an NRWDI Board member with effect from 29 August 2022
- Mr Moerane Maimane was appointed as an NRWDI Board member on 27 October 2022

Remuneration of Board members

Members of the Board are remunerated for meeting attendance and preparation in accordance with National Treasury's determination. Members are also reimbursed for any travel and/or business expenses incurred. The Board's remuneration is based on the NRWDIs' classification as a Schedule 3A public entity. One of the members of the Board is employed by an organ of state and is not entitled to remuneration other than a refund for out-of-pocket expenses incurred to attend a meeting. The remuneration of Board covered under note 17 of the financial statement.

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

This committee meets quarterly to consider matters such as the remuneration policy, the remuneration of executive management, succession planning, directors' remuneration, incentive schemes and other human resources matters. This committee also advises the Board on social and ethical issues, health, safety and security, environmental, as well as other human resources and remuneration matters. It reports to the Board in line with the King IV requirements.

During the period under review, the Human Resources, Social and Ethics Committee held 5 meetings. The membership and meetings of the Human Resources, Social and Ethics Committee attended are depicted in the table below.

Composition of the Human Resources, Social and Ethics Committee

Committee	No. of meetings held	No. of members	Name of members
Human Resources, Social and Ethics Committee	5	5	Mr Moerane Maimane Chairperson: HR-SEC
			Dr. Kgaugelo Chiloane
			Ms. Leanda-Marsha Mtshali
			Mr Justin Daniel
			Dr Margaret Mkhosi

Board notes

- Ms Thandeka Zungu, former Chairperson of the Board, was a standing invitee to all Board Committees until 5 March 2023
- Ms Thandeka Zungu formerly tendered her resignation from the position of NRWDI Board Chairperson on 5 March 2023
- Mr Khoathane, in his then capacity as the Deputy Chairperson of the NRWDI Board, was a standing invitee for all Committees, with effect from 5 March 2023
- Mr Khoathane was appointed as Chairperson of the Board on 28 March 2023
- Mr Moerane Maimane was appointed as an NRWDI Board member on 27 October 2022
- Dr Kgaugelo Chiloane served as the Chairperson of the HR-SEC until 19 November 2022
- Mr Moerane Maimane served as Acting Chairperson of the HR-SEC from 19 November 2022
- Mr Moerane Maimane was appointed as Chairperson of the HR-SEC, by the NRWDI Board, on 28 April 2023.
- Mr Khoathane was appointed as Chairperson of the Board on 28 March 2023
- The CEO and CFO are ex-officio members of the Board and its Committees

3.6 Technical and Operations Committee (TOC)

The duties and functions of the Committee include the following:

- 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.
- Review and make recommendations to the Board of Directors on any other technical issue that may influence the Board's decisions on the safe management and disposal of radioactive waste.

During the period under review, the Technical and Operations Committee held 4 meetings. The membership and meetings of the Technical and Operations Committee attended are depicted in the table below.

Composition of the Technical and Operations Committee

Committee	No. of meetings held	No. of members	Name of members
Technical and Operations Committee	4	5	Ms Lerato Makgae Chairperson: TOC
			Mr Thabiso Pie
			Ms Mamogala Musekene
			Mr Obed Baloyi
			Ms Tovhowani Nyamande
			Dr Jabulani Maluleke
			Mr Justin Daniel
			Dr Margaret Mkhosi

Board notes

- Ms Thandeka Zungu, former Chairperson of the Board, was a standing invitee to all Board Committees until 5 March 2023
- Ms Thandeka Zungu formerly tendered her resignation from the position of NRWDI Board Chairperson on 5 March 2023
- Mr Khoathane, in his then capacity as the Deputy Chairperson of the NRWDI Board, was a standing invitee for all Committees, with effect from 5 March 2023
- Mr Khoathane was appointed as Chairperson of the Board on 28 March 2023
- Ms Lerato Makgae was Acting Chairperson of the TOC with effect from 31 March 2023
- Ms Lerato Makgae was appointed as Chairperson of TOC, by the NRWDI Board, on 28 April 2023
- Mr Pie, Ms Nyamande and Mr Baloyi were alternate members of the Committee
- The CEO and CFO are ex-officio members of the Board and its Committees

3.7 Audit and Risk Committee (ARC)

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

During the period under review, the Audit and Risk Committee held 5 meetings. The membership and meetings of the Audit and Risk Committee attended are depicted in the table below.

Composition of the Audit and Risk Committee

Committee	No. of meetings held	No. of members	Name of members
Audit and Risk Committee	5	5	Ms. Leanda-Marsha Mtshali Chairperson: ARC
			Dr Kgaugelo Chiloane
			Ms. Aneliswa Cele
			Mr Justin Daniel
			Dr Margaret Mkhosi

Board notes

- Ms Thandeka Zungu, former Chairperson of the Board, was a standing invitee to all Board Committees until 5 March 2023
- Ms Thandeka Zungu formerly tendered her resignation from the position of NRWDI Board Chairperson on 5 March 2023
- Mr Khoathane, in his then capacity as the Deputy Chairperson of the NRWDI Board, and later as the Board Chairperson, was a standing invitee for all Committees, with effect from 5 March 2023
- Mr Khoathane was appointed as Chairperson of the Board on 28 March 2023
- Mr Khoathane resigned as a member of the ARC on 31 March 2023
- The CEO and CFO are ex-officio members of the Board and its Committees

4. RISK MANAGEMENT

Risk Management is focused on anticipating what may not go according to plan and creating action plans to reduce the uncertainty to a tolerable level. Risks can be perceived either positively (upside opportunities) or negatively (downside threats). Risks have the potential of a situation or event that will impact on the achievement of specific objectives. The Board and its sub-committees mainly the Audit and Risk Committee is mandated to assess the effectiveness of NRWDI's risk management process.

NRWDI's management team is accountable for designing, implementing and monitoring the process of risk management and ensuring that a risk management culture is created throughout the organisation, thereby infusing it into the day-to-day activities of NRWDI. A Risk Management strategy has been approved by the Board. A Risk workshop is held annually which provides executives and their teams to identify risks and mitigating action plans to make the risk tolerable. On a quarterly basis, it is assessed whether the controls are adequate, whether there is a need for additional controls and if there are any emerging risks.

Strategic and operational risk registers are in place to assess and monitor strategic and operational risks. On a quarterly basis, risk registers are consolidated with the quarterly reports and are reported at the ARC and Board meetings. The risk report forming part of the quarterly report is submitted to the shareholder on a quarterly basis. The shareholder independently monitors the effectiveness of the system of risk management.

5. INTERNAL CONTROL UNIT

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

6. COMPLIANCE WITH LAWS AND REGULATIONS

The Board, with the assistance of the ARC, 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 the following:

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

7. FRAUD AND CORRUPTION

The NRWDI has adopted a code of business ethics and a business conduct policy that articulate the values and acceptable ethical standards to which all persons associated with the NRWDI are required to adhere.

The NRWDI acknowledges that, in today's business environment, fraud is prevalent and all business organisations are susceptible to the risk of fraud.

A fraud prevention plan was developed in response to the expressed commitment of government to fight fraud and corruption. It also makes an important contribution to the country's National Anti-corruption Strategy, 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 combatting all forms of fraud 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 the oversight of fraud risk by the ARC and spells out responsibilities and ownership with respect to assisting the NRWDI in minimising its fraud risk exposure.

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

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

8. MINIMISING CONFLICT OF INTEREST

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

- Board and executive members must disclose their financial interests annually as required by the DMRE in terms of the financial disclosure frameworks.

- All staff are required to disclose their financial interests on an annual basis.
- Consequence management will be resorted to should there be non-compliance.
- Completing a conflict of interest disclosure is a requirement for all meeting attendees in various management structures.

No conflicts of interest were identified during the period under review.

9. 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 in their relationships with others.

Compliance with the code of conduct is expected to enhance professionalism and contribute to confidence in the entity. Failure to comply with any provisions of the code of conduct will be interpreted as a violation of the NRWDI's values. Moreover, the employee concerned will be dealt with according to the entity's grievance and/or disciplinary process.

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

10. 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 that safety in the execution of operational activities and a safety culture be prioritised.

The NRWDI established a SHEQ Committee in terms of section 19 of the Occupational Health and Safety Act (Act 85 of 1993), where safety, health, environment, quality and licensing-related matters within the NRWDI are discussed and actioned. The NRWDI further implements a behavioural-based safety system to foster a culture of safety among all staff through continual assessment and improvement of safety in the workplace.

For the period under review, the NRWDI staff worked 85 443 man hours without a disabling injury. The disabling injury incident rate (DIIR) remained for the fourth consecutive year.

11. BOARD SECRETARY

The Company Secretary ensures that legislation, Board processes, the Board Charter and all other applicable governance prescripts are observed. As the custodian of all governance structures within the organisation, the Company 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 related to the performance of their functions, at the expense of the NRWDI, and subject to the approval of the Board Chairperson.

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

12. SOCIAL RESPONSIBILITY

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

13. AUDIT COMMITTEE REPORT

We are pleased to present our report for the financial year ended 31 March 2023, the following was accomplished:

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

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

Internal audit

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

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

Auditor-General South Africa

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

Appreciation

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



Ms Leanda-Marsha Mtshali

Chairperson: Audit and Risk Committee

31 July 2023

14. B-BBEE COMPLIANCE PERFORMANCE INFORMATION

The following table has been completed in accordance with the compliance to the broad-based black economic empowerment (B-BBEE) requirements of the B-BBEE Act of 2013, and as determined by the Department of Trade, Industry and Competition.

Has the public entity applied any relevant Code of Good Practice (B-BBEE certificate levels 1–8) with regard 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 applicable for NRWDI
Developing and implementing a preferential procurement policy? The preferential procurement policy as issued by National Treasury through its Supply Chain Management Policy and Process Manual.	No	NRWDI has adopted and is implementing the Preferential Procurement Policy Framework Act and its regulations as issued by National Treasury.
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 Resource Management



PART D: HUMAN RESOURCE MANAGEMENT

I. INTRODUCTION

The Human Resources Management function contributes to the NRWDI's Administration Programme (Programme 1), whose role it is to ensure that the NRWDI is operationally efficient, managed effectively and complies with good corporate governance principles.

The NRWDI's success as a national radioactive waste disposal entity depends on the quality of its human capital. The NRWDI is therefore only as good as its people, and believes that this saying is true for all organisations. To this end, the key goal is to ensure an optimally capacitated institution with teams of individuals who are highly skilled, knowledgeable and committed. The HRM function endeavours to achieve this goal by ensuring that the NRWDI attracts, retains and develops competent employees, who are continuously motivated to improve their performance, in order for the NRWDI to accomplish its mandate. The HR value chain seeks to ensure that HR processes, activities and practices lead to the achievement of organisational goals.

The integral outcome of HRM is thus the increased effectiveness of human capital by ensuring that the NRWDI's employees focus on achieving the targets set out in organisational and individual performance plans.

This section of the annual report highlights progress on the HR priorities for the year under review.

2. OVERVIEW OF HUMAN RESOURCES MATTERS AT THE PUBLIC ENTITY

Human resources priorities for the year

For the year under review, HRM prioritised and focused on the following core areas, with specific activities aimed at optimising and making the best use of the limited resources to meet the organisation's goals and objectives:

- Human Resources Management and Administrative Services ensures the appropriate and adequate administration and management of employee information.
- Learning and Development implements training and development interventions to ensure capacity building to deliver on the NRWDI's mandate.

- The ongoing recruitment of skilled, knowledgeable and competent employees provides the human capital needed to meet the requirements of all the NRWDI programmes.
- Remuneration and Benefits Administration manages the effective implementation of payroll and the provision of benefits.
- Organisational Development fosters business optimisation and continuous improvement.
- Employee Relations endeavours to create a suitable labour environment for the NRWDI to effectively carry out its mandate.

3. KEY ACHIEVEMENTS

Talent Management Strategy

A talent management strategy was developed, which outlines how the NRWDI seeks to plan for, resource and develop its talent. The strategy covers employees' career arc from entry point to executive level, taking into consideration the skill needs of the organisation, now and in the future.

Job evaluation and remuneration benchmarking

A job evaluation and remuneration benchmarking exercise was conducted to achieve the following:

- Analyse and review current NRWDI pay scales
- Benchmark the NRWDI's pay levels against other Schedule 3A state-owned entities
- Design and implement a new pay scale structure based on the analysis or review and benchmarking exercise (with pay points per job grade)

The outcome of the exercise will be presented to the NRWDI's Board during the 2023/24 financial year.

Organisational Development

Plans were put in place for a number of organisational development initiatives, including the following:

- Team effectiveness interventions
- Embedding and instilling the NRWDI's core values, and code of ethics and business conduct

- Change management interventions in support of transitional arrangements pertaining to the Vaalputs waste disposal facility
- Executive coaching and strategic leadership interventions

Learning and development

All planned learning and development opportunities were successfully accomplished through the implementation of training plans and the staff bursary assistance scheme.

Human resource policy reviews

Human resources policy reviews were initiated towards the latter part of the year. Five key HR policies were reviewed and are now due for submission to the Board for approval. Outstanding HR policy reviews will be finalised in the 2023/24 financial year.

Employee wellness programme

Ongoing implementation of the NRWDI's employee wellness programme continues, which aims to enhance employee wellness, addressing work psycho-social challenges, and empowering employees with health education to achieve their best possible health, thereby positively impacting on performance and productivity.

The focus for the period under review was mainly on dealing with stress, anxiety, and health awareness. Employees are encouraged to utilise the Employee Wellness Programme (EAP) services, especially now as the organisation is going through tumultuous times with the workplace environment having experienced pronounced toxicity. EAP services included telephonic and face-to-face counselling sessions.

HR challenges faced by the public entity

During the period under review, HRM was faced with a lot of "people issues", which presented a somewhat unhealthy organisational climate, with negative impacts on staff

productivity, motivation and morale. All necessary interventions to deal with the issues, e.g. individual grievances, collective grievances, disciplinary matters, etc., were duly attended to by HR. However, some of the matters could not be concluded by the end of the reporting period. Other ongoing challenges relate to inadequate staff capacity due to the lack of funds to cater for an optimally structured NRWDI.

4. HR PLANS FOR THE FUTURE

In order to ensure that the NRWDI's employees are managed effectively, while they are provided the tools and requisite skills to perform to the best of their potential, several initiatives are planned for the next financial year. These include the following:

- Reviewing the organisational HR strategy
- Conducting an organisational climate survey
- Continuously reviewing HR policies
- Investigating the feasibility of implementing an enterprise resource planning (ERP) system to cater for the NRWDI's Human Resource Information System (HRIS) requirements
- Registering with the relevant sector education and training authority (SETA), and formalising the development of a workplace skills plan and employment equity plans
- Developing and implementing culture and employee value proposition workshops
- Initiating management or leadership development interventions
- Implementing a change management plan for integration with the Vaalputs operations

The NRWDI is excited about the future HR initiatives planned for the upcoming financial year. It is passionate about what it does, and is continuously striving for new and innovative ways in the HR services it delivers. It is committed to its mission, and believes 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.

5. HUMAN RESOURCE OVERSIGHT STATISTICS

Personnel cost by programme

Programme	Total expenditure for the entity	Personnel expenditure	Personnel expenditure as a percentage of total expenditure	Number of employees	Average personnel cost per employee
	(R'000)	(R'000)	(R'000)	(R'000)	(R'000)
Administration	33 662	25 185	52%	23	1 095
Disposal Operations	2 393	2 160	4%	1	2 160
Science, Engineering and Technology	4 961	4 911	10%	4	1 228
Compliance Management	7 706	6 831	14%	5	1 366
Total	48 722	39 087	80%	33	5 849

Personnel cost by employment level

Level	Personnel expenditure	Percentage of personnel expenditure to total personnel cost	Number of employees	Average personnel cost per employee
	(R'000)	(R'000)	(R'000)	(R'000)
Top management	11 183	29%	5	2 237
Senior management	1 896	5%	1	1 896
Professionally qualified and experienced specialists and middle management	15 428	39%	13	1 187
Skilled technical and academically qualified workers, junior management, supervisors, foremen and superintendents	10 274	26%	12	856
Unskilled and defined decision making	306	1%	2	153
Total	39 087	100%	33	6 329

Training costs

Programme	Personnel expenditure	Training expenditure	Training expenditure as a percentage of personnel cost	Number of employees trained	Average training cost per employee
	(R'000)	(R'000)	(R'000)	(R'000)	(R'000)
Administration	25 185	23	0,06%	20	1
Disposal Operations	2 160	-	-	0	
Science, Engineering and Technology	4 911	-	-	0	
Compliance Management	6 831	-	0,00%	0	
Total	39 087	23	0.06%	20	1

Employment and vacancies

Level	2021/22	2022/23	2022/23	2022/23	Percentage of vacancies
	Number of employees	Approved posts	Number of employees	Vacancies	
Top management	5	6	5	1	16,67%
Senior management	1	1	1	0	0,00%
Professionally qualified and experienced specialists and middle management	13	17	13	4	23,53%
Skilled technical and academically qualified workers, junior management, supervisors, foremen and superintendents	12	12	12	0	0,00%
Semi-skilled and discretionary decision making	0	0	0	0	0,00%
Unskilled and defined decision making	2	2	2	0	0,00%
Total	33	38	33	5	13,16%

Employment changes

Level	Employment at beginning of period	Appointments	Terminations	Employment at end of the period
Top management	5	0	0	5
Senior management	1	0	0	1
Professionally qualified and experienced specialists and middle management	12	2	1	13
Skilled technical and academically qualified workers, junior management, supervisors, foremen and superintendents	12	0	0	12
Semi-skilled and discretionary decision making	0	0	0	0
Unskilled and defined decision making	1	1	0	2
Total	31	3	1	33

Reasons for staff leaving

Reason	Number	Percentage of total number of staff leaving
Death	0	
Resignation	1	3,03%
Dismissal	0	
Retirement	0	
Ill health	0	
Expiry of contract	0	
Other	None	
Total	1	3,03%

Staff with disabilities

Disabled staff			
Male	Female	Total staff	Percentage of staff
1	0	33	3,03%

Employment equity status across different job levels

OCCUPATIONAL LEVELS	MALE				FEMALE				TOTAL
	African	Coloured	Indian	White	African	Coloured	Indian	White	
Top Management	2	1	1	0	1	0	0	0	5
Senior Management	1	0	0	0	0	0	0	0	1
Professionally qualified and experienced specialists and middle-management	2	0	0	2	7	0	2	0	13
Skilled technical and academically qualified workers, junior management, supervisors	4	0	0	0	8	0	0	0	12
Unskilled	0	0	0	0	2	0	0	0	2
Total permanent	7	0	0	2	17	0	2	0	28
Total fixed-term contract	2	1	1	0	1	0	0	0	5
Total	9	1	1	2	18	0	2	0	33

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 2023

OCCUPATIONAL LEVELS	MALE				FEMALE				TOTAL
	African	Coloured	Indian	White	African	Coloured	Indian	White	
Top Management	2	1	1	0	1	0	0	0	5
Senior Management	1	0	0	0	0	0	0	0	1
Professionally qualified and experienced specialists and middle-management	2	0	0	2	7	0	2	0	13
Skilled technical and academically qualified workers, junior management, supervisors	4	0	0	0	8	0	0	0	12
Unskilled	0	0	0	0	2	0	0	0	2
Total permanent	7	0	0	2	17	0	2	0	28
Total fixed-term contract	2	1	1	0	1	0	0	0	5
TOTAL	9	1	1	2	18	0	2	0	33

Staff complement by employment equity group

Group	Number of employees	Percentage
African	27	82%
Coloured	1	3%
Indian	3	9%
White	2	6%
Total	33	100%

Gender distribution

Category	Number of employees	Percentage
Males	13	39%
Females	20	61%
Total	33	100%



PART E

PFMA Compliance Report



PART E: INFORMATION ON IRREGULAR EXPENDITURE

Irregular expenditure

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

	2023	2022
Opening balance as previously reported	5 405 563	5 303 312
Add: Irregular expenditure – (overspending of approved budget) – current	1 386	-
Add: Irregular expenditure – (overspending of approved budget) – prior period	-	102 251
Closing balance	5 406 949	5 405 563

The historical irregular expenditure of R5 303 312,42 has not been condoned as yet. The reason for the latter was that, at the time of the request, it could not be confirmed if the irregular transactions had derived value for the NRWDI. The transactions relating to the opening balance of R5.3 million is currently under investigation to determine if such had derived value for the NRWDI, and based on the outcome of the investigation, a subsequent condonation request will be submitted to National Treasury

In the 2021/22 financial year, a variation to an order that was placed for the services of labour and employment law specialists was not approved prior to the additional service being rendered. 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 the NRWDI that the irregular expenditure of R102 251 was not condoned, as NRWDI was to ensure that paragraph 56(a–h) of the Irregular Expenditure Framework was complied with.

This condition was satisfied in the year under review and a new letter of condition to National Treasury will follow.

In the current year, irregular expenditure of R1 386 was incurred in the current year in relation to challenges and delays experienced by Telkom in effecting the cancellation of the contract. This delay resulted in the two-months premium of February and March 2023 being debited to the NRWDI.

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 are currently under investigation, and based on the outcome of the investigation, a subsequent condonation request will be submitted to National Treasury. Should there be any transactions that cannot be condoned, the process to institute disciplinary steps and/or criminal proceedings will be initiated.

The investigation was concluded and endorsed by the Board in the year under review, and a condonation request to National Treasury will follow.

PART F

Financial Information



PART F: FINANCIAL INFORMATION



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GENERAL INFORMATION

COUNTRY OF INCORPORATION AND DOMICILE

South Africa

DIRECTORS

Ms Thandeka Zungu (Board Chairperson)-
resigned 6 March 2023

Mr Mogwera Khoathane (Board Chairperson)
appointed 28 March 2023

Ms Leanda – Marsha Mtshali

Dr Kgaugelo Chiloane

Dr Cornelius Ruiters - resigned 30 August 2022

Ms Lerato Makgae (DMRE representative)

Mr Thabiso Pie (DMRE alternate representative)

Ms Mamogala Musekene (DFFE representative)

Mr Obed Baloyi (DFFE alternate representative)

Ms Aneliswa Cele (DOH representative)

Mr Moerane Maimane - appointed 27 October 2022

Ms Tovhowani Nyamande (DWS representative)

Dr Jabulani Maluleke (DWS representative)

Dr Margaret Mkhosi (CEO)

Mr Justin Daniel (CFO)

POSTAL ADDRESS

Private Bag XI
Pretoria
Gauteng Province 0001

BANKERS

ABSA Bank

AUDITORS

Auditor-General SA
Registered Auditors

REGISTERED OFFICE

Building X
Elias Motsoaledi Street Extension (Church Street West)
R104 Pelindaba, Brits Magisterial District, Madibeng
Municipality North West Province
0240

REPORT OF THE AUDITOR GENERAL

REPORT OF THE AUDITOR-GENERAL TO 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 (NRWDI) set out on pages 69 to 94, which comprise the statement of financial position as at 31 March 2023, statement of financial performance, statement of changes in net assets, 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 NRWDI as at 31 March 2023, and its financial performance and cash flows for the year then ended in accordance with the Standards of Generally Recognised Accounting Practice (Standards of GRAP) and the requirements of the Public Finance Management Act 1 of 1999 (PFMA).

Other matter

3. I draw attention to the matter below. My conclusion is not modified in respect of this matter:

National Treasury Instruction Note 4 of 2022-23: PFMA compliance and reporting framework

4. On 23 December 2022, the National Treasury issued Instruction Note 4 of 2022-23, which came into effect on 3 January 2023, in terms of section 76(1)(b), (e) and (f), 2(e) and (4)(a) and (c) of the PFMA. The instruction note deals with the PFMA compliance and reporting framework and addresses, amongst others, the disclosure of unauthorised expenditure, irregular expenditure and fruitless and wasteful expenditure. Irregular expenditure and fruitless and wasteful expenditure incurred in prior financial years and not yet addressed no longer need to

be disclosed in either the annual report or the disclosure notes to the annual financial statements. Only the current year and prior year figures are disclosed in note 24 to the financial statements of the public entity. Movements in respect of irregular expenditure and fruitless and wasteful expenditure also no longer need to be disclosed in the notes to the annual financial statements. The disclosure of these movements (e.g. condoned, recoverable, removed, written off, under assessment, under determination and under investigation) is now included as part of the other information in the annual report of the public entity. I do not express an opinion on the disclosure of irregular expenditure and fruitless and wasteful expenditure in the annual report.

Responsibilities of the accounting authority for the financial statements

5. 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.
6. 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.

Responsibilities of the auditor-general for the audit of the financial statements

7. 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*. The standard 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 relevant ethical requirements.

8. 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 enquiries of management and others within the auditee, as appropriate, and applying analytical procedures, and evaluating the evidence obtained.
9. 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

10. In accordance with the Public Audit Act 25 of 2004 (PAA) and the general notice issued in terms thereof, I must audit and report on the usefulness and reliability of the reported performance information against predetermined objectives for the selected material performance indicators presented in the annual performance report. The accounting authority is responsible for the preparation of the annual performance report.
11. I selected the following material performance indicators related to programme 2: Radioactive waste disposal operations, presented in the annual performance report for the year ended 31 March 2023. I selected those indicators that measure the public entity's performance on its primary mandated functions and that are of significant national, community or public interest.
 - Waste acceptance criteria (WAC) met for low level waste (LLW)
 - Physical security upgrade implementation plan completed
 - Draft national waste inventory report completed.

12. I evaluated the reported performance information for the selected material performance indicators against the criteria developed from the performance management and reporting framework, as defined in the general notice. When an annual performance report is prepared using these criteria, it provides the users with useful and reliable information and insights on the public entity's planning and delivery on its mandate and objectives.
13. I performed procedures to test whether:
 - the indicators used for planning and reporting on performance can be linked directly to the public entity's mandate and the achievement of its planned objectives
 - the indicators are well defined and verifiable to ensure that they are easy to understand and apply consistently and that I can confirm the methods and processes to be used for measuring achievements
 - the targets linked directly to the achievement of the indicators and are specific, time bound and measurable to ensure that it is easy to understand what should be delivered and by when, the required level of performance as well as how performance will be evaluated
 - the indicators and targets reported on in the annual performance report are the same as were committed to in the approved initial or revised planning documents
 - the reported performance information is presented in the annual performance report in the prescribed manner
 - there is adequate supporting evidence for the achievements reported and for the reasons provided for any over- or underachievement of targets.
14. I performed the procedures for the purpose of reporting material findings only.
15. I did not raise any material findings on the reported performance information for the selected material performance indicators.

REPORT ON COMPLIANCE WITH LEGISLATION

16. In accordance with the PAA and the general notice issued in terms thereof, I must audit and report on 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 findings engagement methodology of the Auditor-General of South Africa (AGSA). This engagement is not an assurance engagement. Accordingly, I do not express an assurance opinion or conclusion.
18. Through an established AGSA process, I selected requirements in key legislation for compliance testing that are relevant to the financial and performance management of the public entity, clear to allow for consistent measurement and evaluation, while also sufficiently detailed and readily available to report in an understandable manner. The selected legislative requirements are included in the annexure to this auditor's report.
19. I did not identify any material non-compliance with the selected legislative requirements. Internal control deficiencies
20. I considered internal control relevant to my engagement on the financial statements, annual performance report and compliance with applicable legislation; however, my objective was not to express any form of assurance on it.
21. I did not identify any significant deficiencies in internal control.

PROFESSIONAL ETHICS AND QUALITY CONTROL

22. 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.
23. In accordance with the International Standard on Quality Management 1, the AGSA maintains a comprehensive system of quality management that includes documented policies and procedures on compliance with ethical requirements and professional standards.

Auditor General

Rustenburg
30 July 2023



AUDITOR - GENERAL
SOUTH AFRICA

ANNEXURE TO THE AUDITOR'S REPORT Compliance with legislation – selected legislative requirements

The selected legislative requirements are as follows:

LEGISLATION	SECTIONS OR REGULATIONS
Public Finance Management Act 1 of 1999 (PFMA)	Section 51(1)(a)(iv); 51(1)(b)(ii); 51(1)(e)(iii) Section 53(4) Section 54(2)(c); 54(2)(d) Section 55(1)(a); 55(1)(b); 55(1)(c)(i) Section 56(1); 56(2) Section 57(b);

LEGISLATION	SECTIONS OR REGULATIONS
Treasury Regulations for departments, trading entities, constitutional institutions and public entities (TR)	Treasury regulations 8.2.1; 8.2.2 Treasury regulations 16A 3.1; 16A 3.2; 16A 3.2(a); 16A 6.1; 16A.6.2(a) & (b); 16A.6.2(e); 16A 6.3(a); 16A 6.3(a)(i); 16A 6.3(b); 16A 6.3(c); 16A 6.3(d); 16A 6.3(e); 16A 6.4; 16A 6.5; 16A 6.6; TR 16A.7.1; 16A.7.3; 16A.7.6; 16A.7.7; 16A 8.2(1); 16A 8.2(2); 16A 8.3; 16A 8.3(d); 16A 8.4; 16A9.1 16A9; 16A9.1(b)(ii); 16A9.1(c); 16A 9.1(d); 16A 9.1(e); 16A9.1(f); 16A 9.2; 16A 9.2(a)(ii); TR 16A 9.2(a)(iii) Treasury regulations 30.1.1; 30.1.3(a); 30.1.3(b); 30.1.3(d); 30.2.1 Treasury regulation 31.1.2(c') Treasury regulations 31.2.1; Treasury regulation 31.3.3 Treasury regulations 33.1.1; 33.1.3
Prevention and Combating of Corrupt Activities Act 12 of 2004 (PRECCA)	Section 34(1)
Construction Industry Development Board Act 38 of 2000 (CIDB)	Section 18(1)
CIDB Regulations	CIDB regulations 17; 25(1); 25 (5) & 25(7A)
PPPFA	Section 1(i); 2.1(a); 2.1(b); 2.1(f)
PPR 2017	Paragraphs 4.1; 4.2 Paragraphs 5.1; 5.3; 5.6; 5.7 Paragraphs 6.1; 6.2; 6.3; 6.5; 6.6; 6.8 Paragraphs 7.1; 7.2; 7.3; 7.5; 7.6; 7.8 Paragraphs 8.2; 8.5 Paragraphs 9.1; 9.2 Paragraphs 10.1; 10.2 Paragraphs 11.1; 11.2 Paragraphs 12.1 and 12.2
PPR 2022	Paragraph 3.1 Paragraphs 4.1; 4.2; 4.3; 4.4 Paragraphs 5.1; 5.2; 5.3; 5.4
PFMA SCM Instruction Note. 09 of 2022-23	Paragraphs 3.1; 3.3(b); 3.3(c); 3.3(e); 3.6
NT Instruction Note 1 of 2015-16	Paragraphs 3.1; 4.1; 4.2
NT SCM Instruction Note 03 2021-22	Paragraphs 4.1; 4.2 (b); 4.3; 4.4; 4.4 (a); 4.4 (c) -(d); 4.6 Paragraph 5.4 Paragraphs 7.2; 7.6
NT SCM Instruction Note 4A of 2016-17	Paragraph 6

LEGISLATION	SECTIONS OR REGULATIONS
NT SCM Instruction Note 03 2019-20	Paragraphs 5.5.1(vi); 5.5.1(x);
NT SCM Instruction Note 11 2020-21	Paragraphs 3.1; 3.4 (a) and (b); 3.9; 6.1;6.2;6.7
NT SCM Instruction Note 2 of 2021-22	Paragraphs 3.2.1; 3.2.2; 3.2.4(a) and (b); 3.3.1; 3.2.2 Paragraph 4.1
PFMA SCM Instruction Note 04 of 2022-23	Paragraphs 4(1); 4(2); 4(4)
Practice Note 5 of 2009-10	Paragraph 3.3
PFMA SCM Instruction Note 08 of 2022-23	Paragraph 3.2 Paragraphs 4.3.2; 4.3.3
Competition Act	Section 4(1)(b)(ii)
NT Instruction Note 4 of 2015-16	Paragraph 3.4
Second amendment of NTI 05 of 2020-21	Paragraphs 4.8; 4.9; 5.1; 5.3
Erratum NTI 5 of 2020-21	Paragraph 1
Erratum NTI 5 of 2020-21	Paragraph 2
Practice Note 7 of 2009-10	Paragraph 4.1.2
Practice Note 11 of 2008-09	Paragraph 3.1 Paragraph 3.1 (b)
NT Instruction Note 1 of 2021-22	Paragraph 4.1



AUDIT AND RISK COMMITTEE REPORT

We are pleased to present our report for the financial year ended 31 March 2023.

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 also 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 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 NRWDI financial and risk management is satisfactory, with steady and significant progress noted.

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 independent assurance that NRWDI's risk management, governance and internal control processes are appropriate and operating effectively.

This is achieved by means of the risk-based planning, identification of irregularities, recommendation of corrective actions and enhancements to controls and process, and follow up on matters raised to ascertain that they get resolved.

5. AUDITOR GENERAL SOUTH AFRICA

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

31 July 2023



DIRECTOR'S RESPONSIBILITIES AND APPROVAL

To the Provincial Legislature of National Radioactive Waste Disposal Institute

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

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

The annual financial statements have been prepared in accordance with Standards of Generally Recognised Accounting Practice (GRAP) and are based upon appropriate accounting policies consistently applied and supported by reasonable and prudent judgments and estimates.

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

These controls are monitored throughout the entity and all employees are required to maintain the highest ethical standards in ensuring the entity's business is conducted in a manner that, in all reasonable circumstances, is above reproach. 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 61.

The audited annual financial statements set out on pages 58-94, were approved by the board on the 31 July 2023 and were signed on their behalf by:



Mr Mogwera Khoathane (Board Chairperson)
Appointed 28 March 2023
31 July 2023

DIRECTOR'S REPORT

The directors submit their report for the year ended 31 March 2023.

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 which 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 directors of the entity during the year and to the date of this report are as follows:

Directors	Date of appointment	End of term
Ms Thandeka Zungu (Board Chairperson) - resigned	11 August 2020	06 March 2023
Mr Mogwera Khoathane (Board Chairperson)	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 - resigned 30 August 2022	11 August 2020	30 August 2022
Ms Lerato Makgae (DMRE representative)	11 August 2020	10 August 2023
Mr Thabiso Pie (DMRE alternate representative)	20 November 2021	19 October 2024
Ms Mamogala Musekene (DFFE representative)	20 November 2021	19 November 2024
Mr Obed Baloyi (DFFE alternate representative)	20 November 2021	19 November 2024
Ms Aneliswa Cele (DOH representative)	20 November 2021	19 November 2024
Mr Moerane Maimane - appointed 27 October 2022	27 October 2022	10 August 2023
Ms Tovhowani Nyamande (DWS representative)	22 February 2022	22 February 2025
Dr Jabulani Maluleke (DWS representative)	22 February 2022	22 February 2025
Dr Margaret Mkhosi (CEO)	01 November 2021	ex-officio
Mr Justin Daniel (CFO)	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 Necsa to the entity and the preparation of the financing model for the entity.

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 (Board Chairperson)
Appointed 28 March 2023
31 July 2023



STATEMENT OF FINANCIAL POSITION AS AT 31 MARCH 2023

Figures in Rand	Note(s)	2023	2022
Assets			
Current Assets			
Receivables from exchange transactions	5	580 551	374 335
Cash and cash equivalents	6	36 903 553	31 762 351
		37 484 104	32 136 686
Non-Current Assets			
Property, plant and equipment	3	2 389 006	2 705 001
Intangible assets	4	230 306	524 769
		2 619 312	3 229 770
Total Assets		40 103 416	35 366 456
Liabilities			
Current Liabilities			
Payables from exchange transactions	7	2 894 375	3 064 852
Provisions	8	6 342 314	5 569 683
		9 236 689	8 634 536
Total Liabilities		9 236 689	8 634 536
Net Assets		30 866 727	26 731 920
Accumulated surplus		30 866 727	26 731 919
Total Net Assets		30 866 727	26 731 919

STATEMENT OF FINANCIAL PERFORMANCE

Figures in Rand	Note(s)	2023	2022
Revenue			
Revenue from non-exchange transactions			
Transfer revenue			
Government grants & subsidies	9	50 304 000	49 166 000
Revenue from exchange transactions			
Other income	10	2 553 315	1 299 609
Total revenue		52 857 315	50 465 609
Expenditure			
Employee related costs	11	(39 087 157)	(37 450 646)
Depreciation and amortisation	12	(1 147 149)	(1 128 008)
Lease rentals on operating lease	13	(939 669)	(887 594)
Loss on disposal of assets		-	(27 333)
General Expenses	14	(7 548 533)	(7 711 794)
Total expenditure		(48 722 508)	(47 205 375)
Surplus for the year		4 134 807	3 260 234

STATEMENT OF CHANGES IN NET ASSETS

Figures in Rand

Balance at 01 April 2021

Changes in net assets Surplus for the year

Total changes

Balance at 01 April 2022

Changes in net assets Surplus for the year

Total changes

Balance at 31 March 2023

	Accumulated surplus / deficit	Total net assets
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 01 April 2022	26 731 920	26 731 920
Changes in net assets Surplus for the year	4 134 807	4 134 807
Total changes	4 134 807	4 134 807
Balance at 31 March 2023	30 866 727	30 866 727

CASH FLOW STATEMENT

Figures in Rand

Cash flows from operating activities

Receipts

Grants

Other receipts

Payments

Employee costs

Suppliers

Net cash flows from operating activities

Cash flows from investing activities

Purchase of property, plant and equipment

Net increase/(decrease) in cash and cash equivalents

Cash and cash equivalents at the beginning of the year

Cash and cash equivalents at the end of the year

Note(s)

2023

2022

50 304 000

49 166 000

2 553 315

1 299 609

52 857 315

50 465 609

(38 950 483)

(37 904 244)

(8 228 939)

(8 695 085)

(47 179 422)

(46 599 329)

16

5 677 893

3 866 280

3

(536 691)

(893 107)

5 141 202

2 973 173

31 762 351

28 789 177

6

36 903 553

31 762 350

STATEMENT OF COMPARISON OF BUDGET AND ACTUAL AMOUNTS

Budget on Accrual Basis

Figures in Rand	Approved budget	Adjustments	Final Budget	Actual amounts on comparable basis	Difference between final budget and actual	Reference
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Statement of Financial Performance

Revenue

Revenue from exchange transactions

Other income - (rollup)	1 625 000	-	1 625 000	2 553 315	928 315	26
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Revenue from non-exchange transactions

Transfer revenue

Government grants & subsidies	50 304 000	-	50 304 000	50 304 000	-	26
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Total revenue	51 929 000	-	52 857 315	928 315	-	
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Expenditure

Personnel	(42 846 000)	-	(42 846 000)	(39 087 157)	3 758 843	26
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Depreciation and amortisation	(1 200 000)	-	(1 200 000)	(1 147 149)	52 851	
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Lease rentals on operating lease	(1 600 000)	-	(1 600 000)	(939 669)	660 331	26
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General Expenses	(6 283 000)	-	(6 283 000)	(7 548 533)	(1 265 533)	26
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Total expenditure	(51 929 000)	-	(51 929 000)	(48 722 508)	3 206 492	
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Surplus before taxation	-	-	-	4 134 807	4 134 807	
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Actual Amount on Comparable - Basis as Presented in the Budget and Actual Comparative Statement

	-	-	-	4 134 807	4 134 807	
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Reconciliation

ACCOUNTING POLICIES

1. Significant accounting policies

The principal accounting policies applied in the preparation of these unaudited annual financial statements are set out below.

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 unaudited 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

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:

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.

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

The entity assesses the probability of expected future economic benefits or service potential using reasonable and supportable assumptions that represent management's best estimate of the set of economic conditions that will exist over the useful life of the asset.

Where an intangible asset is acquired through a non-exchange transaction, its initial cost at the date of acquisition is measured at its fair value as at that date.

An intangible asset is regarded as having an indefinite useful life when, based on all relevant factors, there is no foreseeable limit to the period over which the asset is expected to generate net cash inflows or service potential.

Amortisation is not provided for these intangible assets, but they are tested for impairment annually and whenever there is an indication that the asset may be impaired. For all other intangible assets amortisation is provided on a straight-line basis over their useful life.

The amortisation period and the amortisation method for intangible assets are reviewed at each reporting date.

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:

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.

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 instruments and are initially measured at its fair value plus, in the case of a financial asset or a financial liability not subsequently measured at fair value, transaction costs that are directly attributable to the acquisition or issue of the financial asset or financial liability.

De-recognition

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

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

Subsequent measurement

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

Effective interest method

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

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

Receivables from Exchange Transactions

Trade receivables are measured at initial recognition at fair value and are subsequently measured at amortised cost using the effective interest rate method. Appropriate allowances for estimated irrecoverable amounts are recognized in surplus or deficit when there is objective evidence that the asset is impaired. Significant financial difficulties of the debtor; probability

that the debtor will enter bankruptcy or financial reorganization, and default or delinquency in payments (more than 30 days overdue) are considered indicators that the trade receivable is impaired. The allowance recognized is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows discounted at the effective interest rate computed at initial recognition.

Payables from Exchange Transactions

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

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 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 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
- Decision to halt the construction of the asset before it is complete or in a usable condition.
- Decrease in the request for a service although the asset can still perform at the level required
- Changes in technology with an adverse effect on the use of asset
- Significant changes with an adverse effect on the entity in the government policy environment

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

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

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

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 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

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 past history.

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 the obligation; and
- a reliable estimate can be made of the 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. 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.

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

Revenue is recognised when it is probable that future economic benefits or service potential will flow to the entity and these benefits can be measured reliably.

Revenue is measured at fair value of the consideration received or receivable and represents the amounts receivable for services provided in the normal course of business.

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 that specify that the future economic benefits or service potential embodied in the asset is required to be consumed by the recipient as specified or future economic benefits or service potential must be returned to the transferor.

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

Recognition

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

As the entity satisfies a present obligation recognised as a liability in respect of an inflow of resources from a non-exchange transaction recognised as an asset, it reduces the carrying amount of the liability recognised and recognises an amount of revenue equal to that reduction.

Revenue received from conditional grants, donations and funding are recognised as revenue to the extent that the entity has complied with the conditions embodied in the agreement. To the extent that the conditions have not been met, a liability is recognised

Measurement

Revenue from a non-exchange transaction is measured at the amount of the increase in net assets recognised by the entity.

When, as a result of a non-exchange transaction, the entity recognises an asset, it also recognises revenue equivalent to the amount of the asset measured at its fair value as at the date of acquisition, unless it is also required to recognise a liability. Where a liability is required to be recognised it will be measured as the best estimate of the amount required to

settle the obligation at the reporting date, and the amount of the increase in net assets, if any, 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.

1.15 Fruitless and wasteful expenditure

Fruitless expenditure means expenditure which 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 authorizations from National Treasury via the Department of Mineral Resources and Energy. The approved budget is prepared on an accrual basis and presented by economic classification linked to performance outcome objectives

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

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.

All transactions with related parties 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: None	Effective date: None	Expected impact: None
	Years beginning on or after	

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 2023 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

3. Property, plant and equipment

	2023			2022		
	Cost / Valuation	Accumulated depreciation and accumulated impairment	Carrying value	Cost / Valuation	Accumulated depreciation and accumulated impairment	Carrying value
Plant and machinery	12 015	(12 013)	2	12 015	(10 591)	1 424
Furniture and fixtures	1 609 948	(1 022 187)	587 761	1 609 948	(845 569)	764 379
Motor vehicles	955 508	(525 530)	429 978	955 508	(334 428)	621 080
IT equipment	3 188 567	(1 817 302)	1 371 265	2 651 877	(1 333 759)	1 318 118
Total	5 766 038	(3 377 032)	2 389 006	5 229 348	(2 524 347)	2 705 001

Property, plant and equipment - continued

Reconciliation of property, plant and equipment - 2023

	Opening balance	Additions	Depreciation	Total
Plant and machinery	1 424	-	(1 422)	2
Furniture and fixtures	764 379	-	(176 618)	587 761
Motor vehicles	621 080	-	(191 102)	429 978
IT equipment	1 318 118	536 691	(483 544)	1 371 265
Total	2 705 001	536 691	(852 686)	2 389 006

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
Total	2 642 619	893 107	(27 333)	(803 392)	2 705 001

4. Intangible assets

	2023			2022		
	Cost / Valuation	Accumulated depreciation and accumulated impairment	Carrying value	Cost / Valuation	Accumulated depreciation and accumulated impairment	Carrying value
Computer software and licences	1 623 091	(1 392 785)	230 306	1 623 090	(1 098 321)	524 769

Reconciliation of intangible assets - 2023

	Opening balance	Amortisation	Total
Computer software and licences	524 769	(294 463)	230 306

Reconciliation of intangible assets - 2022

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

5. Receivables from exchange transactions

	2023	2022
Trade debtors	121 384	121 384
Deposits	141 571	141 571
Other receivables	208 980	88 409
Prepaid expenses	108 616	22 971
	580 551	374 335

Trade and other receivables impaired

As of 31 March 2023, trade and other receivables of R5,111,947 (2022: 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. Follow up on the matter was done in October 2022.

Reconciliation of provision for impairment of trade and other receivables

	2023	2022
Opening balance	5 111 947	5 111 947

6. Cash and cash equivalents

Cash and cash equivalents consist of:

	2023	2022
Cash on hand	2 136	636
Bank balances	36 890 997	31 754 503
Short-term deposits	5 894	5 549
Other cash and cash equivalents	4 526	1 663
	36 903 553	31 762 351

7. Payables from exchange transactions

	2023	2022
Trade payables	454 461	48 274
Employee benefit accruals	2 134 569	2 254 608
Trade payable accruals	305 345	761 970
	2 894 375	3 064 852

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

Payables from exchange transactions - continued

The ageing of trade and other payable is as follows:

	2023	2022
Trade payables		
Current	454 461	48 274
Employee benefit accruals		
Current	2 134 569	2 254 608
Trade payables accruals		
Current	305 345	761 970

8. Provisions

	2023	2022
Incentive bonus provision	5 823 674	5 569 683
Employee benefit cost	518 640	-
	6 342 314	5 569 683

Reconciliation of provisions - 2023

	Opening Balance	Additions	Utilised during the year	Reversed during the year	Total
Incentive bonus provision	5 569 683	3 110 993	(2 671 026)	(185 976)	5 823 674
Employee benefit cost	-	518 640	-	-	518 640
	5 569 683	3 629 633	(2 671 026)	(185 976)	6 342 314

Reconciliation of provisions - 2022

	Opening Balance	Additions	Utilised during the year	Reversed during the year	Total
Incentive bonus provision	5 735 596	2 712 681	(2 485 840)	(392 754)	5 569 683

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 2022 and 31 March 2023.

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% (2023) and 9.5% (2022) 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.

Employee Benefit cost

The employee benefit cost relates to an augmentation of the cost-of living salary adjusts for levels D and E salary band employees for the 2022/2023 financial year.

9. Government grants & subsidies

	2023	2022
Operating grants		
Department of Mineral Resources and Energy	50 304 000	49 166 000

The funds of the entity consist of money appropriated by Parliament through National Treasury.

10. Other income

	2023	2022
Interest received	2 552 257	1 177 249
Commission received	1 058	976
Miscellaneous income	-	121 384
	2 553 315	1 299 609

11. Employee related costs

	2023	2022
Basic salary	31 109 394	30 219 183
Statutory contributions	710 399	693 068
Movement in leave provision	3 341	81 153
Company contribution - retirement fund	4 255 955	4 258 022
Movement in bonus provision	2 925 018	2 110 309
Allowances	83 050	88 911
	39 087 157	37 450 646

12. Depreciation and amortisation

	2023	2022
Property, plant and equipment	852 686	1 177 249
Intangible assets	294 463	324 616
	1 147 149	1 128 008

13. Lease rentals on operating lease

	2023	2022
Premises		
Contractual amounts	939 669	887 594

The lease commitment relates to a lease agreement that was entered into with Necsa for office accommodation totaling 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.

In the meantime, NRWDI has exercised the option available in the lease agreement for the occupation to be deemed to be a monthly rental agreement with the similar terms and conditions of the expired agreement.

Furthermore NRWDI approached the market for provision of new office accommodation.

14. General expenses

	2023	2022
Advertising	83 802	71 030
Auditors remuneration	866 078	1 142 111
Bank charges	24 246	23 401
Legal costs	398 561	340 539
Consumables	16 158	9 451
Entertainment	34 003	2 587
Gifts	1 400	4 700
Insurance	125 677	98 430
Development material ⁽¹⁾	572 232	970 200
Workshop and conferences	126 365	-
Electronic office equipment	555 489	871 300
External printing	240 316	119 327
Postage and courier	1 472	4 598
Printing and stationery	58 539	51 707
Repairs and maintenance	24 118	22 289
Subscriptions and membership fees	76 365	34 290
Telecommunications	318 631	279 489
Training	23 429	314 615
Travel - local	346 178	471 996
Travel - overseas	647 581	-
Directors' emoluments	647 139	870 010
Licences	292 422	419 634
Cost of transition	174 079	-
Small capital items	22 256	4 586
Contracted-out services	1 849 431	1 483 158
Consulting fees	22 566	102 346
	7 548 533	7 711 794

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

15. Operating surplus

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

	2023	2022
Operating lease charges		
Premises		
• Contractual amounts	939 669	887 594
Loss on sale of property, plant and equipment	-	(27 333)
Amortisation on intangible assets	294 463	324 616
Depreciation on property, plant and equipment	852 686	803 392
Employee costs	39 087 157	37 450 646
	39 087 157	37 450 646

16. Cash generated from operations

	2023	2022
Surplus	4 134 807	3 260 234
Adjustments for:		
Depreciation and amortisation	1 147 149	1 128 008
Gain on sale of assets and liabilities	-	27 333
Movements in provisions	772 631	(165 913)
Changes in working capital:		
Receivables from exchange transactions	(206 216)	(123 494)
Payables from exchange transactions	(170 477)	(259 889)
	5 677 893	3 866 280

17. Related parties

Relationships

Controlling entity

Fellow entity

Fellow entity

Non-executive members

Executive members

Department of Minerals Resources and Energy

National Nuclear Regulator

Necsa

Detailed contained within note

Detailed contained within note

Related party transactions

Related parties - continued

	2023	2022
Department of Mineral Resources and Energy		
Grant received	50 304 000	49 166 000
National Nuclear Regulator (NNR)		
Nuclear Installation Licence application ⁽¹⁾	559 440	970 200
Necsa		
Expenses incurred ⁽²⁾	1 586 697	1 849 347
Trade and other receivables-Necsa (Eskom Waste Disposal Contract) ⁽³⁾	5 233 331	5 233 331
Provision for impairment	(5 111 947)	(5 111 947)
Trade and other payables - year end balance	201 965	80 451

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 (240 hours in 2023 vs 440 hours in 2022).
2. Payment was made to Necsa for office rental and IT services in 2023 and 2022.
3. As at 31 March 2017, this amount was past due and provided for possible impairment due to recoverability uncertainty.

Remuneration of Related Party

Directors' emoluments	Board fees	Human resources, social and ethics committee	Technical and operations committee	Audit and risk committee	Other meetings	Travel and other costs	Total
2023							
Name							
Mr Moerane Maimane - appointed 27 October 2022	35 608	46 730	-	-	26 701	3 881	112 920
Mr Mogwera Khoathane - Board Chair - appointed 28 March 2023	27 428	-	34 536	15 714	43 717	6 419	127 814
Dr Cornelius Ruiters - resigned 30 August 2022	2 382	2 619	-	-	-	303	5 304
Ms Leanda-Marsha Mtshali	37 395	22 260	-	39 933	14 679	2 711	116 978
Ms Thandeka Zungu - Board Chair - resigned 6 March 2023	67 554	972	-	-	141 428	20 153	230 107
Dr Kgaugelo Chiloane	17 865	31 436	-	15 714	18 758	1 215	84 988
	188 232	104 017	34 536	71 361	245 283	34 682	678 111

Directors' emoluments	Board fees	Human resources, social and ethics committee	Technical and operations committee	Audit and risk committee	Other meetings	Travel and other costs	Total
2022							
Name							
Dr Kgaugelo Chiloane	34 241	44 064	-	20 952	53 890	1 388	154 535
Mr Mogwera Khoathane - Board Deputy Chair	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 - Board Chair	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

Other costs are disbursements which form part of the total directors' emoluments, are disclosed under travel and subsistence in goods and services Dr Cornelius Ruiters resigned on the 30 August 2022.

Other directors do not qualify for emoluments as they are employed within the government sphere.

Key management personnel

2023	Salary	Other allowances	Defined contribution	Other company contribution	Incentive bonus	Termination benefits	Total
Name							
Mr Cobus Beyleveld***	-	-	-	-	166 461	98 930	265 391
Mr Alan Carolissen **	1 608 540	-	325 500	29 919	152 449	-	2 116 408
Mr Justin Daniel **	1 590 252	-	230 170	30 120	197 287	-	2 047 829
Dr Margaret Mkhosi **	2 045 318	-	296 057	32 746	-	-	2 374 121
Mr Zweli Ndziba	1 707 122	10 788	170 111	31 414	203 453	-	2 122 888
DrVusi Twala	1 739 217	15 068	251 749	31 961	215 783	-	2 253 778
	8 690 449	25 856	1 273 587	156 160	935 433	98 930	11 180 415

2022	Salary	Other allowances	Defined contribution	Other company contribution	Incentive bonus	Total
Name						
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

18. Transfer of functions between entities under common control Vaalputs Assets Transfer

Section 30 (1) (a) of the NRWDIA states that all assets, rights, liabilities, obligations, licenses and authorisations of the South African Nuclear Energy Corporation regarding the Vaalputs National Radioactive Waste Disposal Facility vest in the NRWDI with effect from 1st December 2009.

In terms of Section 54 of the PFMA, which is applicable to public entities it is stated as follows:

- (1) The accounting authority for a public entity must submit to the relevant treasury or the Auditor-General such information, returns, documents, explanations, and motivations as may be prescribed or as the relevant treasury or the Auditor-General may require.
- (2) Before a public entity concludes any of the following transactions, the accounting authority for the public entity must promptly and in writing inform the relevant treasury of the transaction and submit relevant particulars of the transaction to its executive authority for approval of the transaction:
 - (a) establishment or participation in the establishment of a company;
 - (b) participation in a significant partnership, trust, unincorporated joint venture or similar arrangement;
 - (c) acquisition or disposal of a significant shareholding in a company;
 - (d) acquisition or disposal of a significant asset;

- (e) commencement or cessation of a significant business activity; and
 - (f) a significant change in the nature or extent of its interest in a significant partnership, trust, unincorporated joint venture, or similar arrangement.
- (3) A public entity may assume that approval has been given if it receives no response from the executive authority on a submission in terms of subsection (2) within 30 days or within a longer period as may be agreed to between itself and the executive authority.
 - (4) The executive authority may exempt a public entity listed in Schedule 2 or 3 from subsection (2).

The process to transfer and register the Vaalputs farms and houses was concluded in May 2022. Although the title deeds are in the name of NRWDI all ownership and responsibilities still lie with Necsa as the Section 54 PFMA process is not yet concluded. In accordance with the above statutes, NRWDI submitted a Section 54 PFMA request for Ministerial approval to acquire the National Radioactive Waste Disposal Facility (Vaalputs) from the South African Nuclear Energy Corporation SOC Ltd (Necsa) and was informed that Necsa has also submitted a Section 54 PFMA request for Ministerial approval to dispose of / transfer the National Radioactive Waste Disposal Facility (Vaalputs) to NRWDI. The Section 54 PFMA request is receiving consideration by the shareholder department.

* 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.

*** Mr Cobus Beyleveld retired on 28 February 2022.

19. Commitments

	2023	2022
Total commitments		
Total commitments		
Authorised capital expenditure	6 371 673	360 357
Authorised operational expenditure	4 192 454	3 313 697
	10 564 127	3 674 054

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

20. Contingent liability

A cash surplus amounting to R28,247,415 for the 2022/23 financial year, which must be surrendered to National Treasury unless permission is granted to retain the surplus. The cash surplus was calculated using a formula prescribed by National Treasury through the National Treasury Instruction No.12 of 2020/21 as follows: Cash and cash equivalents plus receivables less current liabilities.

21. Prior period errors

The leave provision disclosed under note 8 Provisions was reclassified to note 7 Payables from exchange transactions: employee benefit accruals. The correction of the error(s) results in adjustments as follows:

	2023	2022
Statement of financial position		
Payables from exchange transactions	-	1 871 339
Provisions	-	(1 871 339)

22. Financial instruments

	2023	2022
Financial risk management		
Non-current financial assets Current financial assets		
Deposits	141 571	141 571
Other receivables	208 980	88 409
Current financial assets		
Cash and cash equivalents	36 903 553	31 762 351
Trade receivables	5 233 331	5 233 331
Impairment on trade receivables	(5 111 947)	(5 111 947)
Non-current liabilities Current financial liabilities		
Payables from exchange transactions	651 337	761 970
	38 026 825	32 875 685

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 as 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:

	2023			2022		
	Gross carrying amount	Credit loss allowance	Amortised cost/Fair value	Gross carrying amount	Credit loss allowance	Amortised cost/Fair value
Cash and cash equivalents	36 903 553	-	36 903 553	31 762 351	-	31 762 351
Trade receivables	5 233 331	(5 111 947)	121 384	5 233 331	(5 111 947)	121 384
Deposits	141 571	-	141 571	141 571	-	141 571
Other receivables	208 980	-	208 980	88 409	-	88 409

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.

23. Events after the reporting date

There were no material adjusting and non-adjusting events after reporting date.

24. Public finance management act

Material losses

No material losses through criminal conduct, irregular and fruitless and wasteful expenditure was incurred during the period ended 31 March 2023 and 31 March 2022

Irregular expenditure

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

	2023	2022
Irregular expenditure - current year	1 386	-
Irregular expenditure - prior year	-	102 251

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 NRWDI was to ensure that paragraph 56(a-h) of the Irregular Expenditure Framework is complied with. This condition was satisfied in the year under review and a new letter of condition to National Treasury will follow.

In the current year irregular expenditure of R1,386 incurred in the current year, was in relation to the challenges and delays experienced by Telkom in effecting the cancellation of the contract. This delay resulted in the two months premium of February and March 2023 being debited to NRWDI.

Investigation

In respect of the 2021/2022 irregular expenditure, at the time of the condonation request, it could not be confirmed if the irregular transactions had derived value for NRWDI.

The transactions related to this amount is currently under investigation, and based on the outcome of the investigation, a subsequent condonation request will be submitted to National Treasury; and should there be any transactions that cannot be condoned the process to institute disciplinary steps and/or criminal proceedings will be initiated.

The investigation was concluded and endorsed by the Board in the year under review and a condonation request to National Treasury will follow.

25. Segment information

Segment reporting is not applicable to NRWDI as it is one entity that comprises four programmes which do not meet the definition of a segment and therefore no separate financial information is available.

26. 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. This is mainly due to the cash balances in the course of the year, which includes the 2022 retained surplus that was not fully utilized, in addition to the higher prevailing interest rate than was used in the budget calculations.

Personnel expenses

The surplus in personnel expenses is attributed to 5 vacant posts. 2 existing positions (Legal Advisor and Executive Compliance) and 3 new positions (Manager Risk, Manager Assets and Liabilities and Nuclear Engineer).

Consultant fees - surplus of R929 000

Funds were allocated for Organizational Design Intervention (ODI) and Executive Coaching projects which were initiated. POs to the value of R437 000 and R315 000 respectively were processed in the system, but the projects were subsequently put on hold.

Deficit of R634,000 in Travel and subsistence

This is due to a shift in workshops and conferences, meetings etc. from online to face to face. International trips attended were in respect of IAEA Conferences and Technical Meetings. Also, it was anticipated some IAEA trips would be sponsored.

Surplus of R660,000 in Lease rentals on operating lease(Rental Buildings)

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

General expenses

The deficit in general expenses is made up as follows:

Deficit of R1,194,000 in contracted-out services

The relates to IT expense being funded from the roll-over funds. This resulted in a deficit in this line item and is offset by other savings in the goods and services budget.

Surplus of R333,000 in audit fees

The surplus or savings is due to the Auditor-General conducting the audit in-house as opposed to outsourcing to an external audit firm.

Deficit of R148,000 in legal costs

The deficit in the Legal Services is related to HR labour cases which were not budgeted for.

Surplus of R124,000 in IT Support

This was attributed to the reduced number of support hours in respect of the Finance ERP System, MS Dynamics and other IT related queries that were attended to by NRWDI internal IT unit.

Deficit of R459,000 in operating costs

This relates to costs in respect of re-licensing 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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