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INTRODUCTION

The National Nuclear Regulator (NNR) is a public entity which is established and governed in terms of Section 3 of the National Nuclear Regulator Act, (Act no. 47 of 1999), to provide for the protection of persons, property and the environment against nuclear damage, through the establishment and enforcement of safety standards and regulatory practices.

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

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

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HIGHLIGHTS

1. The NNR Board successfully met and fulfilled its fiduciary duties during the period under review
2. The NNR obtained an unqualified audit report for the fourth year in succession during 2012/13 financial year
3. The Board approved business case for the establishment of the laboratory in 2011. The Executive concluded strategic partnerships with the Agricultural Research Council (ARC) and the National Metrology Institute of South Africa (NMISA) Radioactivity Standards Laboratory to establish NNR verification facilities in Pretoria and Cape Town respectively.
4. Attended all the IAEA Safety Standards Committee meetings.

HIGHLIGHTS

10. NNR and the Directorate Radiation Control continued to participate in the AEA Regulator project RAFO0933 Promoting Self-assessment and Networking of Regulatory Bodies for Safety Networking. Besides, NNR participated in the NFTUC (Joint Operation Committee) to establish the Major Public Events, e.g. during AFCON 2013.

11. Continued to actively participate in the activities of the Multilateral Security Plan and internally resource required for implementation of Major Public Events.

12. Achieved a performance rating of 81% against the set objectives and targets, which is above the 80% threshold set by the NNR Board.

HIGHLIGHTS

8. Signed bilateral cooperation agreement with the Russian Federation.

9. The NNR continued to represent South Africa in the technical working groups of the Forum for Nuclear Regulatory Bodies in Africa (FNRA).

10. Participated in the NFTUC (Joint Operation Committee) to establish the Major Public Events, e.g. during AFCON 2013.

11. Continued to actively participate in the activities of the Multilateral Security Plan and internally resource required for implementation of Major Public Events.

12. Achieved a performance rating of 81% against the set objectives and targets, which is above the 80% threshold set by the NNR Board.

HIGHLIGHTS

5. The international obligations of South Africa were fulfilled through participating at both the 2nd Extraordinary Meeting of Contracting Parties to the Convention on Safety Standards, held at the IAEA in Vienna.

6. Compiled and submitted South Africa's National Report to the Convention on Nuclear Safety (CNS).

HIGHLIGHTS

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HIGHLIGHTS

15. During the year under review, we continued to manage the balance sheet conservatively. The total operating revenue for the year was R134,89 million, of which R99,068 million was derived from Authorisation fees, R47,160 from Application fees, and R30,912 million came by of direct Government grants.

16. The NNR has received 4 unqualified audit reports in 4 consecutive years.

HIGHLIGHTS

13. All nuclear facilities in the country were inspected and found to be generally compliant with the required safety standards, as stipulated in the NNR conditions of license and the provided Safety Assessment Reports of operational facilities.

14. Conducted a nuclear regulatory emergency exercise to test the effectiveness of the Coordinating Nuclear Safety Emergency preparedness and response arrangements.

PERFORMANCE AGAINST OBJECTIVES

- 4 year performance trend 2009 - 2013

4 Year Performance Trend

| Performance Year | Actual (%) | Target (%) |
|------------------|------------|------------|
| 2009/10 | 70% | 70% |
| 2010/11 | 60% | 70% |
| 2011/12 | 75% | 80% |
| 2012/13 | 80% | 81% |

PERFORMANCE AGAINST OBJECTIVES

- Weightings per Balance Scorecard

| Perspective | Weighting (%) |
|-------------------------------|---------------|
| Customer & Stakeholder | 55% |
| Financial | 25% |
| Internal Processes | 10% |
| Learning & Development/Growth | 10% |

PERFORMANCE AGAINST OBJECTIVES

- Quarterly Performance 2012-2013

Quarterly Performance

| Quarter | Actual (%) | Target (%) |
|---------|------------|------------|
| Q1 | 75% | 75% |
| Q2 | 72% | 72% |
| Q3 | 88% | 88% |
| Q4 | 91% | 91% |

PERFORMANCE AGAINST OBJECTIVES

- Customer & Stakeholder Perspective

Customer & Stakeholder Perspective

| Quarter | Actual (%) | Target (%) |
|---------|------------|------------|
| Q1 | 74% | 74% |
| Q2 | 72% | 72% |
| Q3 | 90% | 90% |
| Q4 | 96% | 96% |

PERFORMANCE AGAINST OBJECTIVES

- Financial Perspective

Financial Perspective

| Quarter | Actual (%) | Target (%) |
|---------|------------|------------|
| Q1 | 62% | 62% |
| Q2 | 21% | 21% |
| Q3 | 73% | 73% |
| Q4 | 95% | 95% |

PERFORMANCE AGAINST OBJECTIVES

- Internal Business Processes Perspective

Internal Business Processes

| Quarter | Actual (%) | Target (%) |
|---------|------------|------------|
| Q1 | 81% | 81% |
| Q2 | 79% | 79% |
| Q3 | 88% | 88% |
| Q4 | 84% | 84% |

2013/10/14

LINKING PERFORMANCE AGAINST OBJECTIVES

BUDGETS

- Introduction
- Highlights
- Performance Against Objectives
- Linking Performance with Budgets
- Human Resources Oversight Strategies
- Regulation of Nuclear Activities
- Financial Performance
- Stakeholder Outcomes
- Audit Outcomes
- Learning & Growth Perspective

Summary of Financial Information

| Category | Value |
|-------------------|-----------|
| Revenue | 1,200,000 |
| Expenses | 1,000,000 |
| Net Income | 200,000 |
| Total Assets | 5,000,000 |
| Total Liabilities | 3,000,000 |
| Total Equity | 2,000,000 |
| Total Assets | 5,000,000 |
| Total Liabilities | 3,000,000 |
| Total Equity | 2,000,000 |

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LINKING PERFORMANCE AGAINST OBJECTIVES

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- Audit Outcomes
- Learning & Growth Perspective

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PERFORMANCE AGAINST OBJECTIVES

BUDGETS

- Learning & Growth Perspective

| Category | Value |
|---------------------|-------|
| Objectives Met | 120% |
| Objectives Exceeded | 110% |
| Objectives Below | 90% |
| Objectives Failed | 80% |

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LINKING PERFORMANCE WITH BUDGETS

BUDGETS

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- Learning & Growth Perspective

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LINKING PERFORMANCE WITH BUDGETS

BUDGETS

- Capital Investment, Maintenance and Asset Management Plan

| Category | Value |
|---------------------------------|-----------|
| Capital Expenditure | 1,000,000 |
| Capital Reserve | 500,000 |
| Capital Surplus | 500,000 |
| Capital Income | 200,000 |
| Capital Loss | 100,000 |
| Capital Total | 1,800,000 |
| Operating Expenses | 1,200,000 |
| Operating Revenue | 1,500,000 |
| Operating Profit | 300,000 |
| Operating Total | 2,700,000 |
| Administrative Expenses | 800,000 |
| Administrative Revenue | 1,000,000 |
| Administrative Profit | 200,000 |
| Administrative Total | 1,800,000 |
| Research & Development Expenses | 500,000 |
| Research & Development Revenue | 700,000 |
| Research & Development Profit | 200,000 |
| Research & Development Total | 1,200,000 |
| Total Expenses | 3,500,000 |
| Total Revenue | 4,200,000 |
| Total Profit | 700,000 |
| Total Assets | 5,000,000 |
| Total Liabilities | 3,000,000 |
| Total Equity | 2,000,000 |

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LINKING PERFORMANCE WITH BUDGETS

BUDGETS

- Programme Expenditure

| Category | Value |
|---------------------------------|-----------|
| Capital Expenditure | 1,000,000 |
| Operational Expenses | 1,200,000 |
| Administrative Expenses | 800,000 |
| Research & Development Expenses | 500,000 |
| Total Expenditure | 3,500,000 |
| Capital Reserve | 500,000 |
| Capital Surplus | 500,000 |
| Capital Income | 200,000 |
| Capital Loss | 100,000 |
| Capital Total | 1,800,000 |
| Operating Expenses | 1,200,000 |
| Operating Revenue | 1,500,000 |
| Operating Profit | 300,000 |
| Operating Total | 2,700,000 |
| Administrative Expenses | 800,000 |
| Administrative Revenue | 1,000,000 |
| Administrative Profit | 200,000 |
| Administrative Total | 1,800,000 |
| Research & Development Expenses | 500,000 |
| Research & Development Revenue | 700,000 |
| Research & Development Profit | 200,000 |
| Research & Development Total | 1,200,000 |
| Total Expenses | 3,500,000 |
| Total Revenue | 4,200,000 |
| Total Profit | 700,000 |
| Total Assets | 5,000,000 |
| Total Liabilities | 3,000,000 |
| Total Equity | 2,000,000 |

HUMAN RESOURCE OVERSIGHT STATISTICS

- Personnel Cost: Programme

| Programme | Estimated Total Personnel Cost (R'000) | Performance Indicators | Actual Total Cost (R'000) | No. of employees | Average Total Cost per Employee (R'000) |
|-------------------------------------|--|------------------------|---------------------------|------------------|---|
| Administration | 120 231 | 21 679 | 17 | 31 | 679 |
| Compliance Authority & Risk | 120 234 | 20 951 | 32 | 39 | 530 |
| Compliance Assurance and Monitoring | 120 234 | 16 028 | 15 | 28 | 570 |
| TOTAL | 360 700 | 75 658 | 85 | | |

HUMAN RESOURCE OVERSIGHT STATISTICS

- Personnel Cost: Salary Band

| Level | Estimated Total Personnel Cost (R'000) | Actual Total Cost (R'000) | No. of employees | Average Total Cost per Employee (R'000) |
|------------------------|--|---------------------------|------------------|---|
| Top Management | 1 202 | 2 | 5 | 232 |
| Senior Management | 2 551 | 3 | 2 | 1 250 |
| Professional qualified | 61 021 | 87 | 67 | 937 |
| Skilled | 4 476 | 0 | 0 | 4 476 |
| Unskilled | 4 622 | 6 | 5 | 924 |
| TOTAL | 73 105 | 100 | 95 | 751 |

HUMAN RESOURCE OVERSIGHT STATISTICS

- Performance Rewards

| Programme | Estimated Total Reward Cost (R'000) | Actual Total Cost (R'000) | No. of employees | Average Total Reward Cost per Employee (R'000) |
|------------------------|-------------------------------------|---------------------------|------------------|--|
| Leadership | 204 | 1 | 1 | 204 |
| Service Management | 48 | 2 081 | 43 | 48 |
| Professional qualified | 702 | 61 021 | 67 | 937 |
| Skilled | 35 | 4 476 | 0 | 4 476 |
| Unskilled | 60 | 4 622 | 5 | 924 |
| Logistics | 7 | 664 | 1 | 664 |
| TOTAL | 75 196 | 75 196 | 95 | 1 540 |

HUMAN RESOURCE OVERSIGHT STATISTICS

- Training Costs

| Operational Business Unit | Personnel Expenditure (R'000) | Training Budgeted (R'000) | Training Budgeted as % of personnel expenditure | No. of employees | Prevalent cost per employee (R'000) |
|---------------------------|-------------------------------|---------------------------|---|------------------|-------------------------------------|
| CSE | 840 | 702 | 3 | 43 | 16 |
| Finance | 1 250 | 125 | 10 | 14 | 17 |
| GSA | 340 | 121 | 36% | 7 | 74 |
| Internal Audit | 120 | 22 | 17% | 2 | 11 |
| Strategy | 100 | 16 | 16% | 11 | 10 |
| GAL | 1100 | 227 | 21% | 10 | 110 |
| Total | 5 130 | 1 039 | 15% | 5 | 1 039 |
| TOTAL | 16 804 | 4 039 | 25% | 15 | 270 |

HUMAN RESOURCE OVERSIGHT STATISTICS

- Employment & Vacancies

| Programme | 2013/14 | 2012/13 | 2011/12 | 2010/11 | 2009/10 |
|------------------------|------------------|----------------|------------------|------------------|-------------------|
| | No. of vacancies | Approved Posts | No. of employees | No. of vacancies | % of vacant posts |
| Top Management | 1 | 1 | 0 | 1 | 100% |
| Senior Management | 2 | 0 | 0 | 0 | 0% |
| Professional qualified | 57 | 60 | 67 | 3 | 5% |
| Skilled | 2 | 12 | 9 | 2 | 20% |
| Unskilled | 14 | 15 | 12 | 5 | 33% |
| Demobilized | 6 | 4 | 4 | 0 | 0% |
| Retired | 4 | 0 | 0 | 0 | 0% |
| TOTAL | 85 | 104 | 93 | 10 | 10% |

HUMAN RESOURCE OVERSIGHT STATISTICS

- Employment & Vacancies

| Category | Employment | Employment | Appointments | Terminations | Employment |
|------------------------|--------------|--------------|--------------|--------------|--------------|
| | No. of posts |
| Top Management | 2 | 0 | 0 | 0 | 2 |
| Senior Management | 14 | 14 | 4 | 4 | 14 |
| Professional qualified | 57 | 61 | 2 | 2 | 57 |
| Skilled | 7 | 4 | 2 | 2 | 6 |
| Unskilled | 14 | 15 | 1 | 2 | 13 |
| Demobilized | 6 | 4 | 0 | 0 | 6 |
| Retired | 4 | 0 | 0 | 0 | 4 |
| TOTAL | 83 | 94 | 10 | 10 | 85 |

HUMAN RESOURCE OVERSIGHT

STATISTICS

- Equity Target & Employment Equity Status

| Category | Target | Actual | Comments |
|-----------------|----------------|--------|------------|
| Employee Status | 25 | 25 | Met target |
| Gender | 50 | 50 | Met target |
| Age Group | 18-25 | 21 | Met target |
| Education Level | Primary School | 22 | Met target |
| Experience | 1-5 years | 22 | Met target |
| Total | 100 | 100 | Met target |

HUMAN RESOURCE OVERSIGHT

STATISTICS

- Equity Target & Employment Equity Status

| Category | Target | Actual | Comments |
|-----------------|----------------|--------|------------|
| Employee Status | 25 | 25 | Met target |
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| Total | 100 | 100 | Met target |

HUMAN RESOURCE OVERSIGHT

STATISTICS

- Equity Target & Employment Equity Status

| Category | Target | Actual | Comments |
|-----------------|----------------|--------|------------|
| Employee Status | 25 | 25 | Met target |
| Gender | 50 | 50 | Met target |
| Age Group | 18-25 | 21 | Met target |
| Education Level | Primary School | 22 | Met target |
| Experience | 1-5 years | 22 | Met target |
| Total | 100 | 100 | Met target |

REGULATION OF NUCLEAR ACTIONS

NATIONAL ENERGY REGULATORY COMMISSION

- The regulation of nuclear activities by the NNR is performed by two technical divisions, namely Standards, Authorities, Assessments, Reviews and Assessments (SARA) and Compliance Assurance and Enforcement (CAE).
- The regulation of nuclear activities by the NNR is primarily responsible for the development of nuclear safety standards, granting nuclear authorities, conducting safety reviews and managing special nuclear projects.
- The SARA Division is primarily responsible for the development of safety and security regulations. These include conducting comprehensive assessments, audits, investigations, surveillance inspections, audits, investigations, surveillance, and security related to compliance and enforcement over nuclear facilities.
- The CAE Division is primarily responsible for the establishment of environmental monitoring and sampling activities.

REGULATION OF NUCLEAR ACTIONS

NATIONAL ENERGY REGULATORY COMMISSION

- The NNR includes the Koeberg Nuclear Power Station, the Vaalputs nuclear waste repository, and mining and minerals processing facilities / activity.
- The facilities and actions currently under the regulatory control of the NNR include nuclear fuel cycle, production, and research facilities, uranium and radioactive ores as prescribed in the NNR Act.
- The NNR is mandated to exercise regulatory control over nuclear installations, nuclear vessels, the mining and processing of uranium and radioactive ores as prescribed in the NNR Act.
- The facilities and radioactive ores as prescribed in the NNR Act.

REGULATION OF NUCLEAR ACTIONS

NATIONAL ENERGY REGULATORY COMMISSION

- Audit Outcomes
- Finance Performance
- Stakeholder Relations
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REGULATION OF NUCLEAR ACTIONS

Application of Regulation of Nuclear Actions 2013/14

| Category of Authorisation | Number |
|---|----------|
| • (Variations to Nuclear Installation Licenses (NIL) issued within agreed timelines | 5 |
| • Certificates of Registration (COR) issued within agreed timelines | 3 |
| Total | 8 |

REGULATION OF NUCLEAR ACTIONS

| Regulation | Inspections | Violations | Non-compliance |
|--|-------------|------------|----------------|
| Nuclear Power Plant | 58 | 0 | 75 |
| Nuclear Technology & Waste Projects | 72 | 8 | 72 |
| Naturally Occurring Radioactive Material | 252 | 8 | **418 |
| Total | *382 | 16 | 565 |

*Conducted additional 68 Inspections = 438
**Overdue from planned audit.

REGULATION OF NUCLEAR ACTIONS

| Worksite | Regulatory Control |
|--------------------------------|---|
| Maximum individual worker dose | An (average) effective dose of 20mSv per annum averaged over five consecutive years. A (maximum) effective dose of 50mSv in any year. |
| Average individual worker dose | Controlled by application of the ALARA principle. The ALARA target for the annual average individual dose is 4mSv per annum. |

REGULATION OF NUCLEAR ACTIONS

- Occupational exposure at Koeberg Nuclear Power Plant, Necsa, Pelindaba Site, Necsa, Vaalputs Radioactive Waste Disposal site and mining and mineral processing facilities were within prescribed regulatory limits
- Projected public exposure at Koeberg Nuclear Power Plant, Necsa, Pelindaba Site, Necsa, Vaalputs Radioactive Waste Disposal site was within prescribed regulatory limits

REGULATION OF NUCLEAR ACTIONS - KOEBERG

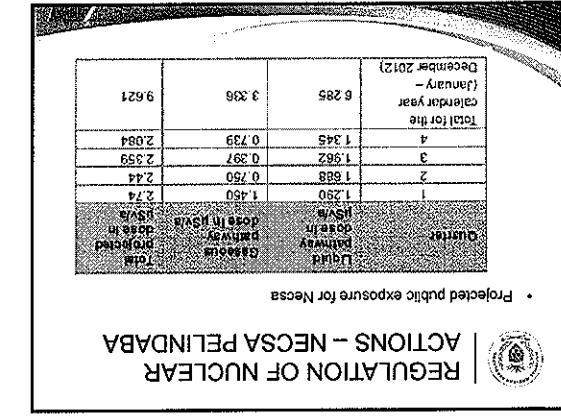
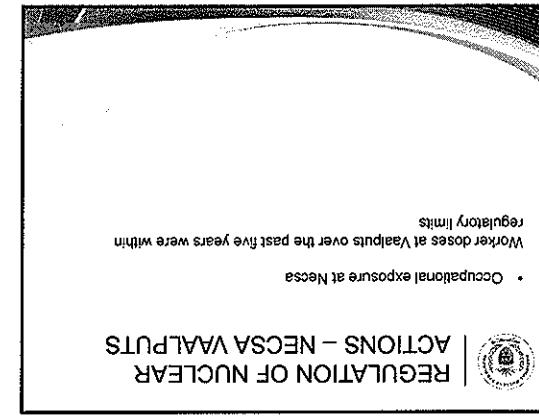
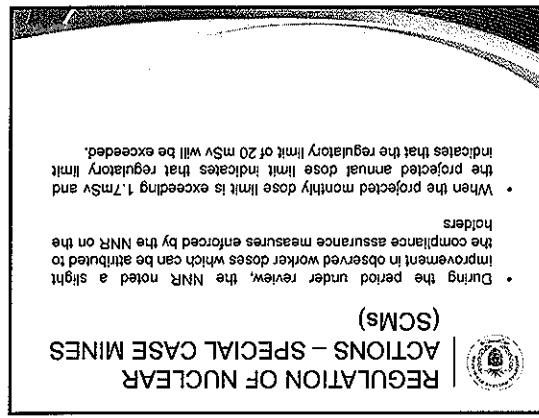
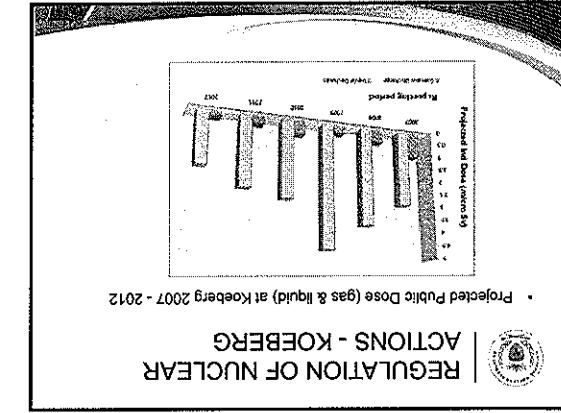
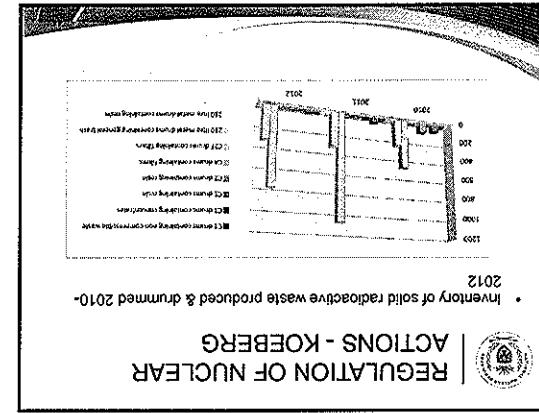
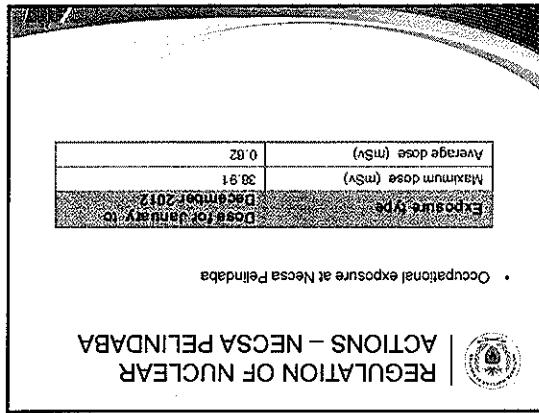
- Highest individual dose at Koeberg 2007 - 2012

| Reporting Period | Highest Individual Dose (mSv) |
|------------------|-------------------------------|
| 2007 | ~18 |
| 2008 | ~12 |
| 2009 | ~15 |
| 2010 | ~10 |
| 2011 | ~18 |
| 2012 | ~12 |

REGULATION OF NUCLEAR ACTIONS - KOEBERG

- Occupational exposure at Koeberg (dose bandwidth) 2007 - 2012

| Reporting Period | Number of Individuals |
|------------------|-----------------------|
| 2007 | ~1800 |
| 2008 | ~1500 |
| 2009 | ~1600 |
| 2010 | ~1400 |
| 2011 | ~1300 |
| 2012 | ~1200 |



REGULATION OF NUCLEAR ACTIONS – OPERATIONAL SCMs

- Summary of occupational radiation dose for 2008 - 2012

| Operational Area | Dose in mSv/a |
|------------------|---------------|
| Core business | ~0.5 |
| Regulatory | ~0.5 |
| Healthcare | ~0.5 |
| Industrial | ~0.5 |
| Research | ~0.5 |
| Other | ~0.5 |
| Total | ~4.5 |

REGULATION OF NUCLEAR ACTIONS – NON OPERATIONAL SCMs

- Summary of occupational radiation dose for Non SCMs for 2008 - 2012

| Year | Total Effective Dose (mSv/a) |
|------|------------------------------|
| 2008 | ~14000 |
| 2009 | ~10000 |
| 2010 | ~10000 |
| 2011 | ~10000 |
| 2012 | ~10000 |

REGULATION OF NUCLEAR ACTIONS - SPECIAL NUCLEAR PROJECTS

Focused primarily on regulatory research and development associated with the following key areas:

- Implementation of Self-Assessment national action plan;
- Development of Regulatory Standards and Position Papers;
- Establishment of a National Dose Register (NDR)
- Upgrade of the NNR Regulatory Emergency Response Centre;
- Determination of appropriate levels of financial provisioning for nuclear damage from nuclear installations; and
- Establishment of an independent verification laboratory

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STAKEHOLDER RELATIONS

- During the year under review the NNR's stakeholder communication and engagement mechanisms continued to evolve and relationships with key stakeholders remained positive. The NNR's stakeholder engagement priorities for the year under review focused largely on exchanging information and best practices with other Regulatory bodies and strengthening ongoing dialogue with stakeholders.

STAKEHOLDER RELATIONS

- Convened information sharing meetings with Civil Society and NGOs in various provinces, i.e. Eastern Cape, Gauteng and Western Cape which promoted the openness and transparency required in dealing with nuclear safety awareness issues.
- Convened a public hearing for the Smelter licence application lodged by Necsa.
- Conducted a media briefing to provide feedback to the South African public on the ongoing and planned measures to improve nuclear safety in light of the lesson learnt from the Fukushima Daiichi nuclear accident in Japan.

OF FINANCIAL PERFORMANCE: ANALYSIS



- The 68% decrease in trade and other receivable during the year under review is attributed to conversion of R20 million building deposit committed to laboratory and regulation Emergency Response Center projects that was not yet disbursed at year end.
- Cash and cash equivalents mainly due to Capex budget committed to laboratory and regulation Emergency Response Center that was not yet disbursed at year end.
- The 68% decrease in trade and other receivable during the year under review is attributed to conversion of R20 million building deposit committed to laboratory and regulation Emergency Response Center projects that was not yet disbursed at year end.

OF FINANCIAL POSITION



- The 68% decrease in trade and other receivable during the year under review is attributed to conversion of R20 million building deposit committed to laboratory and regulation Emergency Response Center projects that was not yet disbursed at year end.
- Cash and cash equivalents mainly due to Capex budget committed to laboratory and regulation Emergency Response Center that was not yet disbursed at year end.
- Cash and cash equivalents mainly due to Capex budget committed to laboratory and regulation Emergency Response Center projects that was not yet disbursed at year end.

FINANCIAL PERFORMANCE



| Category | Description | Value |
|----------|-------------------------|-----------------|
| Revenue | Revenue from operations | R 1,200,000,000 |
| Expenses | Cost of goods sold | R 800,000,000 |
| | SG&A | R 400,000,000 |
| | Interest expense | R 100,000,000 |
| | Taxes | R 50,000,000 |
| Total | Net Profit | R 150,000,000 |

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STAKEHOLDER RELATIONS



- Implemented a joint inspection with ASN (French Regulator) Body during the KNPS unit 2 outage.
- Highlighted inclusion
- Performance against Objectives
- Linking Performance with Budgets
- Human Resources Designate Stakeholders
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STAKEHOLDER RELATIONS



- Arranged Nuclear Executive Workshop (NEW) & Fundamental of Reader Safety (FORS) with USA Regulatory Body the USNRC. The workshops were presented to NNR staff and Board Members.
- Regulated Nuclear Executive Workshop (NEW) & Fundamental of Reader Safety (FORS) with USA Regulatory Body the USNRC. The workshops were presented to NNR staff and Board Members.
- Regulated Nuclear Executive Workshop (NEW) & Fundamental of Reader Safety (FORS) with USA Regulatory Body the USNRC. The workshops were presented to NNR staff and Board Members.

STAKEHOLDER RELATIONS



- Shared information at the quarterly Public Safety Information Forum meetings held by Eskom for the Koeberg Nuclear Power Station, and Necsa for Pebblebed and Valubius respectively.
- Hosted and participated at the Regional Meeting on the IAEA Joint Convention on the Safety of Spent Fuel Management on the Safety of Radioactive Waste Management in Cape Town, South Africa.

 FINANCIAL PERFORMANCE: ANALYSIS OF FINANCIAL POSITION

- Property, Plant and Equipment increased by 476% during the year under review as a result of recognition of HQ office block purchased.
- Other financial liabilities increase is linked to current repayments of mortgage raised against the acquisition of the office block.
- Leasehold expenses decreased to nil on conversion of the building lease to acquisition and in the same vain the long term liabilities increased by the mortgage raised to finance the transaction.

 FINANCIAL PERFORMANCE

Statement of financial performance
Figures in rand

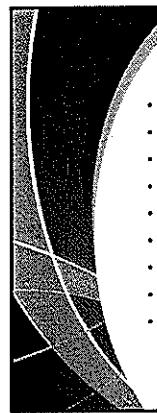
| | 2013 | 2012 |
|-------------------------------|--------------------|--------------------|
| Revenue | | |
| Authorisation fees | 99 067 659 | 88 479 789 |
| Application fees | 447 160 | 1 581 935 |
| Other income | 1 352 446 | - |
| Deferred income | 442 680 | - |
| Interest received | 2 667 427 | 2 108 524 |
| Government grants | 30 912 000 | 35 430 000 |
| Total revenue | 134 889 372 | 127 600 248 |
| Expenditure | | |
| Compensation of employees | 75 106 423 | 82 310 167 |
| Depreciation and amortisation | 9 253 676 | 5 046 235 |
| Finance costs | 4 652 517 | - |
| Credit loss written off | 226 054 | - |
| Goods and services | 31 095 578 | 38 654 384 |
| Total expenditure | 120 234 245 | 126 010 786 |
| Operating surplus | 34 655 427 | 1 589 463 |
| Surplus for the year | 34 655 427 | 1 589 463 |

 FINANCIAL PERFORMANCE: ANALYSIS OF FINANCIAL PERFORMANCE

- The Authorisation fees increased by 12% during the year through the annual adjustments as Gazetted by the Minister
- A decrease of 72% on application fees is attributed to a special project processed during the comparative year.
- The other income reported for the year relates to positive bad debts adjustment made from the prior year provision.
- 26% increase on interest received is attributed on cash on hand committed for CAPEX projects.

 FINANCIAL PERFORMANCE: ANALYSIS OF FINANCIAL PERFORMANCE

- The operational grant from the fiscus declined by 13% during the year as National Treasury impose compulsory budget cuts, the trend has been for the past three years.
- 81% increase on depreciation in line with the increase of asset base due to acquisition of the HQ building. The same transaction resulted on the decrease of 20% on goods and services as the rental and maintenance expenses were reduced.

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 AUDIT OUTCOMES

- The NNR obtained an unqualified audit report for the fourth year in succession during 2012/13 financial year
- The audit report showed an improved state of controls , quality of financial and performance reporting
- The entity developed and is implementing an audit management letter resolution plan addressing amongst others the following key issues raised by the Auditor General:
 - Irregular expenditure on training
 - Performance monitoring and evaluation
 - Compliance with laws and regulations
- The Regulator is on course to implement adequate policy dispensation for training procurement, legal compliance monitoring system and dashboard performance monitoring during the third quarter of the current financial year.

Mr T Selanne

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Mantla

2013/10/14

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