

NRWDI

NATIONAL RADIOACTIVE WASTE
DISPOSAL INSTITUTE



Annual Report
2017/18



1. General Information

Registered Name:	National Radioactive Waste Disposal Institute (NRWDI)
Registration Number:	N/A
Physical Address:	Building X, Pelindaba Elias Motsoaledi Street Extension (Church Street West) R104 Pelindaba Brits Magisterial District Madibeng Municipality North West Province 0240
Postal Address:	Private Bag X1 Pretoria 0001 Gauteng Province
Telephone Numbers:	012- 305 3222
Fax Number:	012 -305 3200
Email Address:	info@nrwdi.org.za
Website:	www.nrwdi.org.za
External Auditors:	Auditor-General of South Africa
Bankers:	ABSA Bank
Company Secretary:	Ms. Ngwako Molewa



PART A

General
Information



2. List of Abbreviations/Acronyms

AGSA	Auditor-General of South Africa
ARC	Audit and Risk Committee
BOD	Board of Directors
CEO	Chief Executive Officer
CFO	Chief Financial Officer
CISF	Centralised Interim Storage Facility
DEA	Department of Environmental Affairs
DoE	Department of Energy
DoH	Department of Health
DWS	Department of Water and Sanitation
Exco	Executive Committee
HLW	High Level Waste
IAEA	International Atomic Energy Agency
ILW	Intermediate Level Waste
KPI	Key Performance Indicator
LLW	Low Level Waste
MISS	Minimum Information Security Standard
MPRDA	Mineral and Petroleum Resources Development Act
MTEF	Medium-Term Expenditure Framework
Necsa	South African Nuclear Energy Corporation
NEMA	National Environmental Management Act
NGO	Non-Governmental Organisation
NNR	National Nuclear Regulator
NRWDI	National Radioactive Waste Disposal Institute
NRWID	National Radioactive Waste Inventory Database
NT	National Treasury
PFMA	Public Finance Management Act
PAIA	Promotion of Access to Information Act
PAJA	Promotion of Administrative Justice Act
R&D	Research and Development
RWMF	Radioactive Waste Management Fund
GRAP	South African Standards of Generally Recognised Accounting Practice
SEC	Social and Ethics Committee
SHEQ	Safety, Health, Environmental and Quality Systems
SLA	Service Level Agreement
SOE	State-Owned Entity
TOC	Technical and Operations Committee
T&S	Technology & Siting
URS	User Requirement Specification

3. Foreword by The Chairperson



I am pleased to provide you with the second Annual Report on the operations and audited financial statements of the NRWDI. This report captures the essence of the NRWDI's progress and priorities over the past year. Performance of NRWDI for the 2017/2018 financial year was predominantly influenced by the following factors:

The Vaalputs (National Waste Disposal Facility) staff transfer and the implementation of Section 30 of the National Radioactive Waste Disposal Institute Act, 53 of 2008 (NRWDI Act) in respect of the Vaalputs nuclear installation licence; The development and maintenance of a responsive radioactive waste management and disposal regime that does not compromise public safety and national security;

Ensuring that public perceptions, concerns and expectations are adequately addressed, and that public education, participation and communication activities in respect of radioactive waste management and disposal issues are placed at the centre stage; and

Focus on research and development, as well as management and disposal technologies for all forms of radioactive waste.

3. Foreword by The Chairperson

Limited funding resources remains a major factor towards NRWDI delivering on its mandate. To this end, the NRWDI is looking forward to the establishment of the Radioactive Waste Management Fund (RWMF) which will provide long term financial sustainability for the organisation. The Board continues to provide support to the Minister, Department of Energy and Parliament for the finalisation of the RWMF. I am confident that our budget in the ensuing financial years will be increased in order for NRWDI to fulfil its mandate effectively, for the benefit of the nuclear industry and the public at large. NRWDI's medium to long-term plans for new infrastructure includes the design, construction and commissioning of a Centralised Interim Storage Facility for high-level waste, in particular Spent Nuclear Fuel and a Deep Geological Repository. This process will require financial support from the shareholder and the finalisation of the RWMF.

One other risk and challenge that the NRWDI is facing in the implementation of its mandate is ensuring that people's perceptions pertaining to the disposal and management of radioactive waste is not driven by their fears and lack of knowledge. NRWDI continually holds Public Safety Information Forums (PSIF) and has implemented plans and strategies to support awareness. We do this with an understanding of the critical role we play in strengthening NRWDI's reputation as a leading radioactive waste disposal organisation.

The fourth quarter saw the resignation of the CEO, Dr Wolsey Barnard. The Board has since appointed Mr Alan Carolissen as the Acting CEO. Mr Carolissen has over twenty years' experience in the management and disposal of all classes of radioactive waste and I am therefore highly confident that NRWDI will continue to provide excellent services under his inspiring and able leadership.

I would like to commend our shareholder, the Department of Energy, for providing us with much-needed financial security and support, thereby ensuring the viability and sustainability of NRWDI.

I would also like to thank my fellow Board members for the direction and strategic leadership they provided as the accounting authority of NRWDI. To NRWDI's executive management and employees, I value your dedication towards achieving NRWDI's vision for excellence in the safe management and disposal of radioactive waste in a manner that protects the environment for both current and future generations.



Mr. Tshepo Mofokeng
Chairperson: NRWDI
Date: 31 July 2018

4. Chief Executive Officer's Overview



“As NRWDI, we are deeply committed to deliver safe, sustainable and publicly acceptable solutions for the long term management and disposal of all radioactive waste classes. This means never compromising on safety and security, taking full accountability for our social and environmental responsibilities, always seeking value for money and actively engaging with stakeholders in an open, transparent and respectful manner.”

Mr. Alan Carolissen
Acting Chief Executive Officer

Introduction

I am deeply humbled and privileged to present to you the 2017/2018 NRWDI Annual Report.

The application of radioactive materials and radiation provides numerous benefits to people and society and plays a significant role in everyday life. This includes scientific, medical, agricultural and industrial applications. It is a natural consequence of such applications that radioactive waste is generated.

The key strategic thrust of the National Radioactive Waste Disposal is the long term management and disposal of radioactive waste in a technically sound, socially acceptable, environmentally responsible and economically feasible manner to ensure that no undue burden is placed on future generations due to our past, present and future involvement in nuclear energy applications.

Low level waste, which represents 95% of all radioactive waste generated, has been disposed at our Vaalputs National Facility Disposal Facility, in the Northern Cape since 1986. The disposal operations and waste acceptance criteria for Vaalputs are in line with international best practice and we as a country should be proud that the International Atomic Energy Agency (IAEA) has identified Vaalputs as a global leader in the disposal of low level waste in near surface geological repositories.

4. Chief Executive Officer's Overview

Reflection on 2017/18 financial year

The 2017/18 financial year presented us with many challenges - as one would expect, for an emerging state entity. Notwithstanding the myriad of challenges, we have been able to realize great achievements which would not have been possible, had it not been for the commitment and professionalism shown by the NRWDI Board members, management and staff.

As a new and emerging entity, and with me recently taking the reigns as the Acting CEO, I am fully aware of the need to continually review and consistently improve the effectiveness and efficiency of NRWDI processes, with the objective always being to strive towards operational excellence. It is heartening to know our stakeholder satisfaction index is at 89,5%, which implies that our stakeholders have confidence and trust in NRWDI to meet or exceed their expectations.

I am pleased to report that in our second year of operation, we have progressed from an unqualified audit, to a clean audit which will bear testimony to the fact that an institutionalised culture of accountability, trust, honesty and responsibility prevails in NRWDI, thus demonstrating a resilient commitment towards good governance, prudent financial management, excellence and ethical leadership.

NRWDI staff members continued to participate in a variety of IAEA activities, consultative meetings and expert missions. NRWDI staff members benefited from the IAEA's Technical Co-operation Programme through their involvement in training courses, scientific visits and workshops.

Challenges experienced during the reporting period

NRWDI requires more funding support in order to meet and bridge the funding gap. Priority in the 2018/19 financial year will be given to the draft Bill for establishing the Radioactive Waste Management Fund (RWMF) for the collection of levies and imposition of penalties on waste generators which is based on the "polluter-pays-principle."

Once the Radioactive Waste Management Fund Bill has been enacted, the Fund will ensure the sustainable funding of the NRWDI to execute its legislative mandate and all functional activities as per Section 5 of NRWDI Act.

Looking forward

I am immensely proud and privileged to lead a team of seemingly ordinary individuals who consistently deliver extraordinary results. The year ahead will bring with it its own challenges, some carried over from the previous year and new ones, however, I am confident in our ability to meet these with a resolved determination to solve them, no matter what comes our way.

The main focus in the year ahead will be to investigate disposal solutions for all classes of radioactive waste, in particular Spent Nuclear Fuel. The prudent management of Spent Nuclear Fuel continues to be an important social and technical issue for many nations around the world, including South Africa. In this regard, NRWDI has identified critical infrastructure that will be required to provide safe, sustainable and publicly acceptable solutions to the challenge of Spent Nuclear Fuel management. Priority infrastructure projects identified for the management of Spent Nuclear Fuel are (i) an off-site above ground Centralised Interim Storage Facility and (ii) a Deep Geological Repository.

We need to continually embrace and institutionalise a culture of operational excellence and need to demonstrate our commitment to safety. It is imperative to inculcate safety principles consistently and fearlessly in order to integrate it into all our operational activities and safety culture, which is non-negotiable.

Gender diversity must be a strategic business imperative that is driven by increasing the number of women in leadership roles, reducing their attrition rate to levels below those of their male counterparts, and improving the levels of job satisfaction. Furthermore, women must have confidence that our people processes are fair, and be assured that they can build lasting careers in the nuclear industry. Personal conviction rather than a conventional business case, can inspire gender equality initiatives, not because the case is irrelevant, but because it cannot, in itself, generate enough passion and conviction to sustain gender equality as a key strategic priority for the coming year.

4. Chief Executive Officer's Overview

Acknowledgements

The leadership of NRWDI plays an important role in shaping and developing the organisation as a whole. First and foremost, I wish to acknowledge that the milestones for the financial year under review could not have been achieved without the continued support and strategic guidance from the Chairperson and Directors of the NRWDI Board.

I would also like to express my deep gratitude to the Minister of Energy, the Deputy Minister of Energy and Team Energy in the Department of Energy for their unwavering support, advice and guidance.

We live in times where the NRWDI cannot exist in isolation but is dependent on its engagement with its stakeholders. I wish to pay tribute to all NRWDI's stakeholders for their continued support. I believe that NRWDI will play an important role in stimulating the economy through the creation of businesses, and employment through the innovative technologies of safe disposal and management of radioactive waste in South Africa.

Last but not least, the success of the NRWDI is dependent on its staff who are actually the engine of the Institute. We are privileged to have a diverse, colourful, vibrant and skilled group of people whose loyalty, dedication and service have not gone unnoticed. My sincere 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.

Conclusion

NRWDI remains totally committed to fulfilling the vast expectations of South Africans that radioactive waste can be safely managed in a manner that meets or exceeds all applicable regulatory standards and requirements for protecting the health, safety and security of our people and the environment, both now and in the future.



Mr. Alan Carolissen
Acting Chief Executive Officer
Date: 31 July 2018

5. Statement of Responsibility and Confirmation of accuracy for the Annual Report

To the best of our knowledge we confirm the following:

All information and amounts disclosed in this Annual Report is consistent with the annual financial statements audited by the Auditor-General.

The Annual Report is complete, accurate and free from omissions.

The Annual Report has been prepared in accordance with the guidelines on the Annual Reports as issued by National Treasury.

The Annual Financial Statements (Part E) have been prepared in accordance with the GRAP standards applicable to the 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.

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

In our opinion, this annual report fairly reflects the operations, the performance information, the human resources information and the financial affairs of the public entity for the financial year ended 31 March 2018.



Mr. Alan Carolissen
Acting Chief Executive Officer
Date: 31 July 2018



Mr. Tsepho Mofokeng
Chairperson
Date: 31 July 2018

6. Strategic Overview



6.1 Vision

To achieve excellence in the safe management and disposal of radioactive waste in a manner that protects the environment for both current and future generations.



6.2 Mission

To develop and implement a management approach for the long-term care and disposal of radioactive waste that is, safe, technically sound, socially acceptable, environmentally responsible and economically feasible.



6.3 Values

NRWDI has adopted the following corporate values, which serve as guiding principles around which its corporate culture and actions are governed and shaped. These corporate values are listed as follows:

Corporate Values (Table 1)



7. Legislative and other Mandates

7.1 Constitutional Mandate

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

Everyone has the right:

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

7.2 Legislative Mandate

The management of radioactive waste disposal on a national basis is assigned to the NRWDI. The NRWDI is an independent entity established by statute under the provision of Section 55(2) of the Nuclear Energy Act (No. 46 of 1999) to fulfil the institutional obligation of the Minister of Energy.

The NRWDI Act (NRWDIA) (Act 53 of 2008) was proclaimed by the President of the Republic of South Africa in Government Gazette No. 32764 and NRWDIA became effective on 1 December 2009. The NRWDIA endorsed the establishment of the NRWDI.

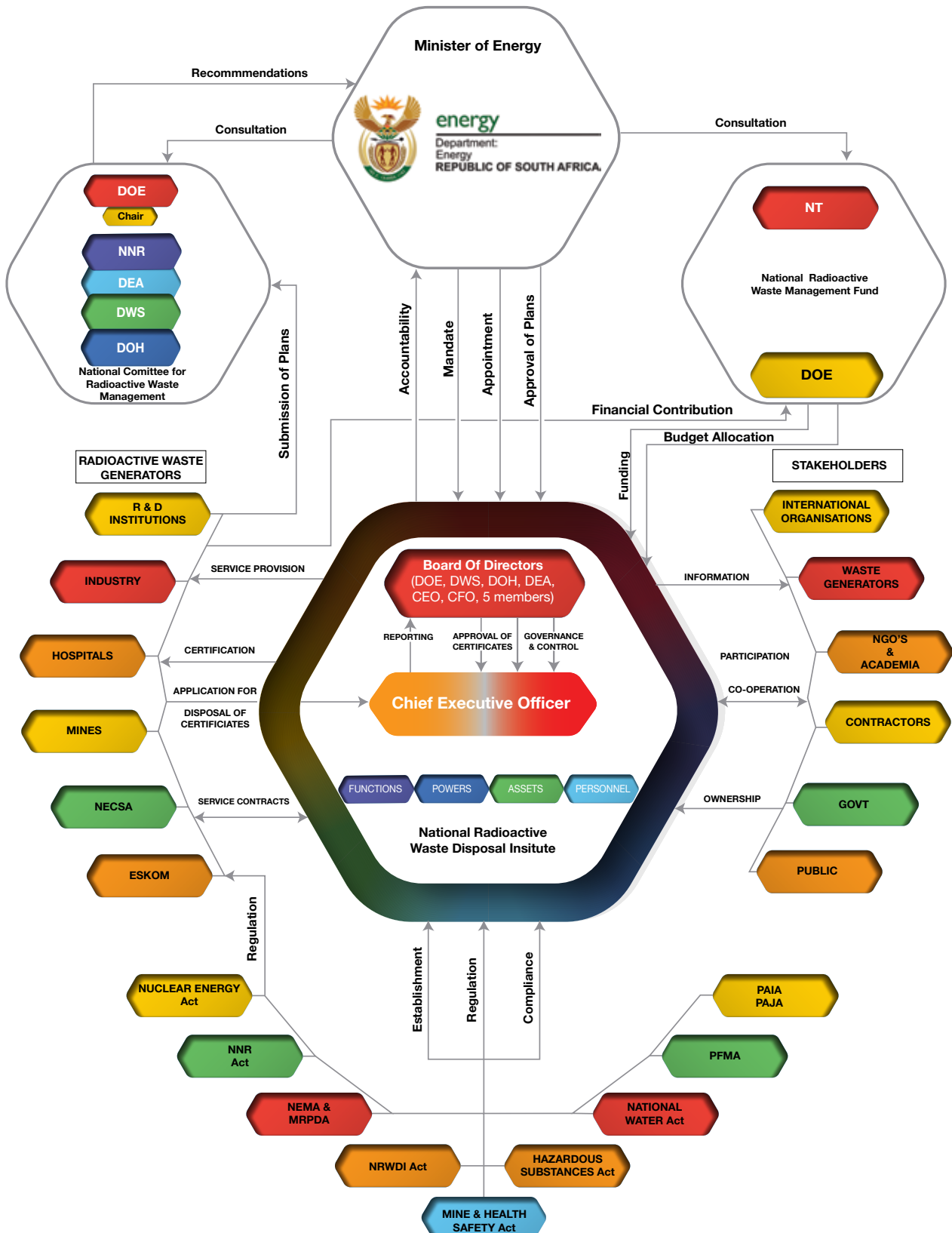
As a public entity, NRWDI is governed by the Public Finance Management Act (PFMA), Act 1 of 1999 (as amended by Act 29 of 1999), and it is listed as a Schedule 3A public entity.

In order to fulfil its role in accordance with the legislative and regulatory framework and to focus on delivering on its mandate, NRWDI has developed specific outcomes and strategic objectives, around which a number of strategic initiatives and on-going operational programmes have been planned (and are being implemented) to address the organisation's responsibilities and obligations.



7. Legislative And Other Mandates

Radioactive Waste Disposal Legislative and Regulatory Framework
(Table 2)



7. Legislative And Other Mandates

Figure 1: Radioactive Waste Disposal Legislative and Regulatory Framework

7.3 Policy Mandate

The NRWDI is mandated to manage radioactive waste disposal and related waste management activities on a national basis. This mandate is articulated in a number of policy documents as reflected below:

- Radioactive Waste Management Policy and Strategy for the Republic of South Africa (2005);
- Nuclear Energy Policy and Strategy for South Africa (2008).

7.4 Functional Mandate

The functions of the NRWDI as per Section 5 of the NRWDI Act (Act 53 of 2008) are summarised as follows:

- Manage radioactive waste disposal on a national basis;
- Operate the national low level waste repository at Vaalputs;
- Design and implement disposal solutions for all categories of radioactive waste;
- Develop criteria for accepting and disposing radioactive waste in compliance with applicable regulatory safety requirements and any other technical and operational requirements;
- Assess and inspect the acceptability of radioactive waste for disposal and issue radioactive waste disposal certificates;
- Manage, operate and monitor operational radioactive waste disposal facilities including related predisposal management of radioactive waste on disposal sites;
- Investigate the need for any new radioactive waste disposal facilities and to site-inspect, design and construct new facilities as required;
- Define and conduct research and development aimed at finding solutions for long-term radioactive waste management;
- Maintain a national radioactive waste database and publish a report on the inventory and location of all radioactive waste in the Republic at a frequency determined by the Board of Directors (BOD);
- Manage ownerless radioactive waste on behalf of the Government, including the development of radioactive waste management plans for such waste;
- Assist generators of small quantities of radioactive waste in all technical aspects related to the management of such waste;
- Implement institutional control over closed repositories, including radiological monitoring and maintenance as appropriate;
- Implement any assignments or directives from the Minister regarding radioactive waste management;
- Provide information on all aspects of radioactive waste management to the public living around radioactive waste disposal facilities and to the public in general;
- Advise nationally on radioactive waste management;
- Co-operate with any person or institution in matters falling within these functions; and
- Any other function necessary to achieve the objectives of the NRWDI

The majority of the above functions are currently performed within the scope of Low Level Waste (LLW) inventories. In future, the scope would need to be extended to address the national inventory of radioactive waste consisting of Intermediate Level Waste (ILW), High Level Waste (HLW), long-lived waste, spent/used nuclear fuel and disused sealed radioactive sources. This implies that alternative disposal concepts would have to be researched, designed and implemented. It is also possible that alternative disposal sites would need to be obtained, characterised, constructed and operated.

7. Legislative and other mandates

7.5 International Conventions

The assurance of nuclear safety is reinforced by a number of international instruments. These include certain Conventions such as the Convention on Nuclear Safety and Joint Convention on the Safety of Spent Fuel Management and on the Safety of Radioactive Waste Management that are legally binding on the participating States. South Africa, as a contracting party to these conventions is obliged to adhere to the articles of these conventions and to provide regular reports on compliance to these conventions.

The Joint Convention establishes an international peer review process among Contracting Parties and provides incentives for Member States to improve nuclear safety in line with international best practises. One of the objectives of the NRWDI is to fulfil national obligations in respect of international nuclear instruments relating to management of spent nuclear fuel and radioactive waste management, including disposal, to ensure that the Republic of South Africa is in compliance with the articles of the Joint Convention through existing national legal and regulatory infrastructure.

The South African Joint Convention report provides information on used fuel and waste management facilities, radioactive waste inventories, ongoing decommissioning projects, used fuel and radioactive waste management safety, as well as information on imports/exports of radioactive waste (trans-boundary movements) and disused sealed radioactive sources.

7.6 Relevant Court Rulings

There was no court rulings that might have had significant on-going impact on the NRWDI's operations and/or service delivery obligations, and as such suitable legislative frameworks, codes of good legal practices and resources have been put in place to mitigate such risks.

7.7 Planned Policy Initiatives

Sealed radioactive sources, including disused sealed sources, are controlled as Group IV Hazardous Substances, in terms of the Hazardous Substances Act, 1973 (Act 15 of 1973) and are regulated by the Directorate Radiation Control in the Department of Health.

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

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

8. Organisational Structure

8. Organisational Structure

The NRWDI's macro-organisational structure reflects key operational functions that oversee the core operational components of the NRWDI, as well as the key support capacity for effective delivery on the NRWDI's mandate. The structure is aligned to the NRWDI's strategic programmes, namely: Administration, Radwaste Operations, Radwaste Technology and Siting, and Radwaste Compliance Management.

(Table 3)



Board Members



Mr. Tshepo Mofokeng
Chairperson



Mr. Luvuyo Mkontwana
Deputy Chairperson



Mr. Mark Gordon



Adv. Mothusi Tsineng



Ms. Lerato Makgae
DoE



Ms. Mbali Ndlovu



Mr. Sam Moleko



Mr. Alan Carolissen
Acting Chief Executive Officer
Appointed 1 April 2018



Mr. Justin Daniel
Chief Financial Officer



Mr. Jeetesh Keshaw
Alternate: DoE



Ms. Ngwako Molewa
Company Secretary

Executive Committee



Mr. Alan Carolissen
Chief Operations Officer
Appointed Acting Chief Executive Officer
1 April 2018



Mr. Justin Daniel
Chief Financial Officer



Dr. Vusi Twala
Chief Technology Officer



Mr. Cobus Beyleveld
Executive Manager:
Radwaste Compliance Management



Mr. Zweli Ndziba
Executive Manager:
Corporate Services



Ms. Anjue Hirachund
Senior Manager:
Office of the CEO

PART B

Performance
Information



1. Performance Monitoring Against Predetermined Objectives

Its NRWDI's second year of operations and it is the intention of the NRWDI to strive towards creating an upward trend relative to the organisation's performance each year.

1.1 Programmes, Goal and Objectives

1.1.1 Programme 1 - Administration

The Administration programme provides for NRWDI to operate efficiently, effectively and in line with good corporate governance principles. There are various sub-programmes within the programmes namely Office of the CEO, Strategic Planning and Risk Management, Communications and Stakeholder Engagement, Internal Audit, Company Secretariat, Finance and Supply Chain Management and Corporate services that address this.

Strategic orientated goals aligned to the program

- Effective resource allocation and good governance

Strategic objectives

- Improved payment system;
- Highly motivated team of employees;
- Good image of NRWDI;
- National Radioactive Waste Management System.

1.1.2 Programme 2 – Radwaste Operations

The purpose of the Radwaste 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. This ensures that no undue burden is placed on future generations due to past, present and future involvement in nuclear programmes. The future of the environment is a global agenda item and management and disposal of radioactive material must be carried out in such a manner that human health and the environment are protected.

Strategic-orientated goals aligned to the programme

- Safe management and disposal of radioactive waste

Strategic objectives

- Excellent radioactive waste management and disposal service on a national basis
- Environmentally sound management and disposal of radioactive waste

1.1.3 Programme 3 – Radwaste Technology and Siting

The purpose of the programme is to develop and implement solutions for safe storage and disposal of all classes of radioactive waste, including spent nuclear fuel, on a national basis. Specific criteria need to be developed for siting of suitable sites for the safe management and disposal of possible repositories. There are various technologies for the safe management of radioactive waste material and the technology that is applicable for South Africa needs to be employed after consultative processes with the relevant stakeholders are held.

Strategic orientated goal aligned to the programme

- Comprehensive site selection, site characterisation and design of radioactive waste disposal storage and related facilities.

1. Performance Monitoring Against Predetermined Objectives

Strategic Objectives

- Excellent site selections and investigations for the establishment of storage and disposal facilities;
- Advanced design and construction of storage and disposal facilities;
- Efficient scientific and technical support for the development and maintenance of safety cases.

1.1.4 Programme 4 – Radwaste Compliance Management

The purpose of the programme is to ensure that the core function of the NRWDI (namely the disposal of radioactive waste on a national basis) is executed in compliance with regulatory requirements and specifically the National Nuclear Regulator's (NNR's) requirements that the holder of the Nuclear Installation Licence (NIL) must implement compliance assurance measures that:

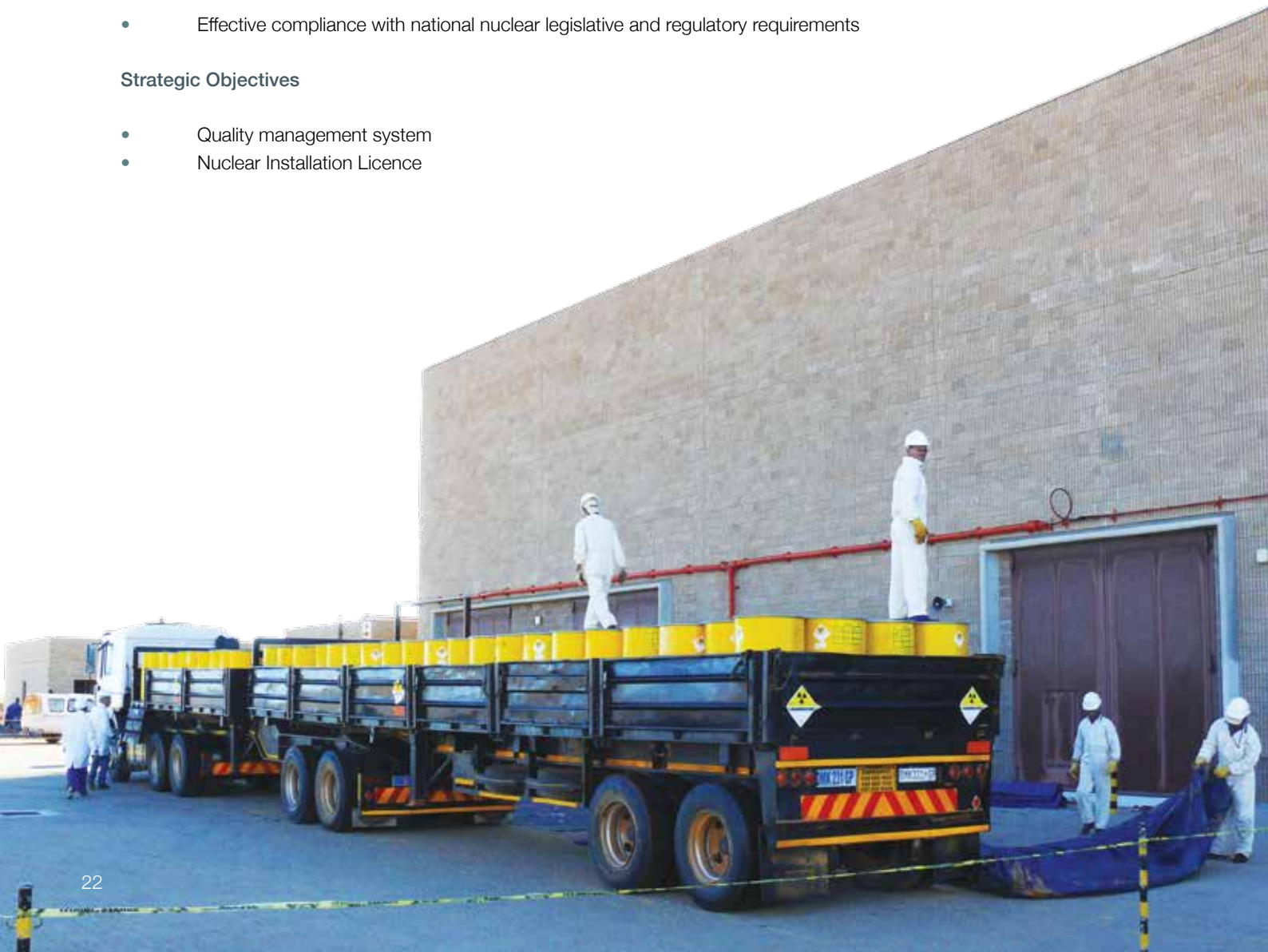
- Provides for overriding priority to nuclear and radiation safety and
- Provides the required resources, processes and arrangements to ensure compliance with the conditions of authorisation, the requirements of the NNR Act and associated regulations.

Strategic orientated goal aligned to the programme

- Effective compliance with national nuclear legislative and regulatory requirements

Strategic Objectives

- Quality management system
- Nuclear Installation Licence



1. Performance Monitoring Against Predetermined Objectives

Performance Information

Programme 1 - Administration (Table 4)

Strategic Objective	Measure	Performance Indicator	Actual Achievement 2016/17	Planned Target 2017/18	Actual Target 2017/18	Reason for Variance
Improved payment system	Percentage of creditors paid within 30 days	Percentage of creditors paid	97%	100%	100%	None
Highly motivated team of employees	Number of HR policies developed	Number of HR policies developed	5 policies developed	21 policies to be developed	21 policies developed	None
Good image of NRWDI	Percentage positive feedback from stakeholder surveys	Percentage positive feedback from stakeholder surveys	No target	60% positive feedback from stakeholders	89.5% positive feedback from stakeholders	NRWDI has the necessary critical mass to provide expert advice to stakeholders
National Radioactive Waste Management System	Documents and systems	Document detailed system design	Business requirements and URS completed	Approved business case option was executed	Approved business case option was executed	None



1. Performance Monitoring Against Predetermined Objectives

Programme 2 - Radwaste Operations
(Table 5)

Strategic Objective	Measure	Performance Indicator	Actual Achievement 2016/17	Planned Target 2017/18	Actual Target 2017/18	Reason for Variance
Excellent radioactive waste management and disposal services on a national basis	Percentage of compliance rate	Percentage of compliance rate	New target	80% compliance rate with regards to annual SHEQ audit	94.3% compliance rate with the annual SHEQ audit	Highly qualified and vastly experienced staff to ensure compliance oversight
Environmentally sound management and disposal of radioactive waste	ISO 9001 and ISO 14001 certification	ISO 9001 and ISO 14001 certification	New target	ISO 9001 and ISO 14001 certification maintained	ISO 9001 and ISO 14001 certification maintained	None
	Number of meetings held (minutes)	Number of meetings held (minutes)	New target	4 VPSIF meetings	4 VPSIF meetings	None



1. Performance Monitoring Against Predetermined Objectives

Programme 3- Radwaste Technology and Siting
(Table 6)

Strategic Objective	Measure	Performance Indicator	Actual Achievement 2016/17	Planned Target 2017/18	Actual Target 2017/18	Reason for Variance
Excellent site selection and investigations for the establishment of storage and disposal facilities	Documents and reports	CISF siting plan Safety case Submission report to NNR	New target	CISF siting project plan developed	CISF siting plan has not been developed	Ministerial approval for the CISF project is still awaiting the recommendation of the CISF Steering Committee in finalising its recommendation to the Minister to grant approval in order for NRWDI to proceed with the project
Advanced design and construction of storage and design facilities	Documents and reports	Conceptual design document Detailed design document Submission report to NNR	New target	Conceptual design developed	Conceptual design has not been developed	Ministerial approval for the CISF project is still awaiting the recommendation of the CISF Steering Committee in finalising its recommendation to the Minister to grant approval in order for NRWDI to proceed with the project
Efficient scientific and technical support for development and maintenance of safety cases	Efficient scientific and technical support for development and maintenance of safety cases	Number of research and development reports	New target	Research and Development report compiled	Report is still to be completed	The development of the R&D plan depends on joint agreement with stakeholders on the types of wastes to be disposed of and negotiations with Eskom in this regard are still ongoing. Therefore, the R&D report could not be completed at this time

1. Performance Monitoring Against Predetermined Objectives

Programme 4 – Radwaste Compliance Management
(Table 7)

Strategic Objective	Measure	Performance Indicator	Actual Achievement 2016/17	Planned Target 2017/18	Actual Target 2017/18	Reason for Variance
Quality Management System Nuclear Installation Licence	Percentage of system completed	Percentage of quality management system completed	6 elements of ISO 9001 developed	75% of the quality management system completed	75% of the quality management system completed	None





PART C

Governance



Governance

Introduction

The NRWDI has a unitary Board structure with eleven directors, comprising three nominations and appointments by the Minister of the Department of Energy, Minister of the Department of Environmental Affairs, Minister of the Department of Water and Sanitation, Minister of the Department of Health, two executive directors and five non-executive directors. The Institute is governed and controlled by a Board of directors. The Board is responsible for the general management and control of the Institute, and must ensure that the functions of the Institute are carried out. There are currently two vacancies on the Board, an official to be nominated and appointed by the Minister of Health, and an official to be and appointed by the Minister of Water and Sanitation. The Chairperson and Deputy Chairperson of the Board are appointed by the Minister of Energy and the 5 (five) non-executive directors. The non-executive directors are drawn from diverse backgrounds and bring a wide range of experience, insight and professional skills to the Board to ensure effective leadership of the Institute.

The Board is responsible for monitoring principles of corporate governance and completely aligns itself with the application of the recommendations of the King report on governance (King IV). The Board is committed to corporate processes and ensures that NRWDI operations are conducted ethically, taking into account best practices. The Board meets at least four times a year. Additional meetings can be convened to consider specific business issues which may arise between scheduled meetings.

To the best of the Board's knowledge, information and belief, the NRWDI complied with applicable legislation, policies and procedures, as well as the codes of governance in the review period.

Board Charter

The scope of authority, responsibility, composition and functioning of the Board is contained in the Board charter which is reviewed annually. The directors retain overall responsibility and accountability to:

- Review the NRWDI's objectives;
- Review the strategies for achieving the NRWDI's objectives;
- Approve the annual budget;
- Approve the annual and half-yearly financial statements, reports to shareholders and stakeholder engagements;
- Review the Institute's internal and external audit reports;
- Review the performance of, necessity for, and composition of the Board and Board committees;
- Review the director's, Chairperson's and CEO's and the Company Secretary's remuneration;
- Review remuneration policies and practices in general, including incentive schemes for management;
- Review risk assessment policies and controls, including compliance with legal and regulatory requirements. The Board Charter is closely aligned with King IV.

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

Composition of the Board and its role

The NRWDI Board comprises of nine Board members, five of which are independent non-executive Board members, from diverse backgrounds, appointed by the Minister of Energy based on experience, technical skills, qualifications and knowledge. The Minister of Energy appointed a new Board of Directors in February 2017 in line with section 7(2) of the NRWDI Act.

The primary responsibility of the Board is the leadership of the NRWDI, strategic direction and policy, operational performance, financial matters, risk management and compliance. It is responsible for the general management and control, exercising leadership, integrity and judgement in directing the NRWDI, based on transparency, accountability and responsibility. The Board is the focal point of the corporate governance systems of the NRWDI. Authority for day-to-day management of the NRWDI's activities is delegated to the management team through a Delegation of Authority Framework as approved by the Board. The mandate, role and responsibilities of the Board are stipulated in the Board Charter as set out above and in line with the NRWDI Act.

The Board of Directors

(Table 8)

Director	Appointments/Resignation	Qualifications
Mr. Tshepo Mofokeng (Chairman)*	Appointed as chairman 1 February 2017	CA (SA)/CIA/CRMA
Mr. Luvuyo Mkontwana (Deputy Chairperson)*	Appointed as Deputy Chairperson 1 February 2017	BSc, Chemical Engineering
Adv. Mothusi Tsineng*	Appointed 1 February 2017	LLB, Advocate
Ms. Mbali Ndlovu*	Appointed 1 February 2017	LLB, Attorney, Conveyancer
Mr. Samuel Moleko*	Appointed 1 February 2017	LLB, Attorney
Mr. Mark Gordon+	Appointed 1 February 2017	BSc Biochemistry, MBA
Ms. Lerato Magae+	Appointed 1 February 2017	MSc-Applied Radiation Science and Technology
Dr. Barry Kistnasamy	Appointed 1 February 2017 Resigned 6 November 2017	MChB, MMed
Dr. Wolsey Barnard^	Appointed 1 September 2016/ Resigned 31 March 2018	BSc(Hons). MSc, PhD
Mr. Justin Daniel^	Appointed 1 October 2016	B.Compt
*Non-Executive Director		
+Nominated and Appointed by the Minister		
^Executive Director		

All NRWDI Board Directors are appointed for a term of three years. The position of the Board member representative of the Department of Water and Sanitation is currently vacant.

Induction, training and development of Board members

A formal induction process for directors is in place. Upon appointment, directors are provided with recent Board and committee documents, information on technical, legal and governance obligations, the Institute's Board Charter and Code of Ethics as well as recent reports. Directors are entitled to seek independent legal advice at the cost of the NRWDI. In the current year of

Governance

reporting an educational site visit was arranged for Board members to attend the Vaalputs Radioactive Waste Disposal Facility in order for the Board to get a full understanding of the environment they are operating in and future projects and joint ventures to be taken up by the NRWDI. The individual Board members have full access to members of Exco, to ensure that they fully develop within their areas of responsibility in the businesses and operations of the NRWDI.

Delegation of authority

The Board exercises oversight authority to lead, control and manage the business of the NRWDI. Through a delegation-of-authority framework, the Board has delegated certain powers and functions to the Chief Executive Officer and executive committee (Exco) to manage the day-to-day business affairs of the NRWDI. The delegation of authority assists the Chief Executive and Exco in decision making and meeting strategic objectives without absolving the Board of its accountability and responsibilities for the running of the NRWDI. There are, however, some non-delegated matters reserved for approval by the Board and/or the Minister of Energy in terms of the NRWDI Act, Board Charter and delegation-of-authority document.

Minimising conflict of interest

Conflict of interest is managed through mandatory annual declarations of interest. All Board members are required to declare any conflict of interest on an ongoing basis. The Board Charter details the importance of declaring any conflict of interest and contains provisions for dealing with such conflicts.

During the period under review no conflicts of interest were brought to the attention of the Board.

Code of Conduct

The Code of Conduct regulates and controls the Board members' conduct and behaviour. The Code of Conduct applies to Board as well as Committee and other meetings relating to the affairs of the Institute. The Code of Conduct requires the members to act with the utmost good faith, honesty, professionalism, and integrity in all their dealings, relating to the Institute's affairs. The values encapsulated in the Code of Conduct are continuously instilled through ongoing communication and training.

Company Secretary

The company secretary is the gatekeeper of good governance and maintains an arm's length relationship with the Board, and directors are able to look to the company secretary for guidance on their responsibilities and duties.

The company secretary ensures that Board procedures and all legislation and governance codes are observed and also provides guidance to the directors on governance, compliance and their 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 concerning the affairs of the NRWDI, after obtaining the approval of the chairperson.

The company secretary also co-ordinates the induction programme for the newly appointed directors, as well as the annual Board evaluation process.

Committees of the Board

The Board has established three standing committees that are ultimately accountable to it. These committees assist the Board by focusing on specialised areas. The committees meet independently, and provide feedback to the Board through their Chairperson. The roles of, and representation on, these sub-committees are shown below:

(Table 9)

	Board	Special Board	Board Strategy Session	Audit & Risk Committee	Social & Ethics Committee	Technical & Operations
Number of meetings held for the year	4	2	2	5	4	4
Mr. Tshepo Mofokeng (Chairperson)	4/4	1/2	2/2	NM	4/4	NM
Mr. Luvuyo Mkontwana (Deputy Chairperson)	4/4	2/2	0/2	5/5	NM	4/4
Mr. Sam Moleko	4/4	2/2	2/2	5/5	NM	NM
Mr. Mark Gordon	0/4	0/2	1/2	NM	0/4	NM
Adv. Mothusi Tsineng	0/4	0/2	2/2	NM	3/4	NM
Mr. Jeetesh Keshaw	2/4	1/2	2/2	NM	NM	2/4
Ms. Mbali Ndlovu	4/4	2/2	2/2	NM	4/4	NM
Dr. Barry Kistnasamy*	0/4	0/2	0/2	NM	NM	0/4
Ms. Lerato Makgae	2/4	1/2	0/2	NM	NM	2/4
Dr. Wolsey Barnard**	4/4	2/2	2/2	4/5	4/4	4/4
Mr. Justin Daniel	4/4	2/2	2/2	5/5	4/4	3/4

NM – Non-Member

*Resigned – 6 November 2017

**Resigned – 31 March 2018

Governance

Board committees

(Table 10)

	Role	Members
Audit & Risk Committee	The committee is regulated by approved terms of reference, and it is responsible for, <i>inter alia</i> , the review of financial performance, external audit strategy and reports, the internal audit function, risk management, budgets, PFMA compliance, fraud and corruption, information technology governance and the monitoring of CAPEX projects. The terms of reference are aligned with the requirements of the Public Finance Management Act (PFMA), treasury regulations and King IV.	Mr. Luvuyo Mkontwana (Chairperson) Mr. Sam Moleko Dr. Wolsey Barnard Mr. Justin Daniel **Ms. Thandeka Nam Zungu ¹
Technical and Operations Committee	The duties and functions of the Committee <i>inter alia</i> , includes: (i) to review the framework, policies and guidelines for radioactive waste operations; technology; research development and compliance management as far as it is relevant to the work of the committee; and (ii) to review and make recommendations to the Board of Directors on any other technical issues that may influence the Board's decisions on radioactive management and disposal.	Ms. Lerato Makgae (Chairperson) Mr. Jeetesh Keshaw Mr. Luvuyo Mkontwana Dr. Barry Kistnasamy* Dr. Wolsey Barnard Mr. Justin Daniel **Prof. Johan Malherbe ³ **Dr. Ramatsemela Masango ²
Social and Ethics Committee	The S&E Committee is responsible for advising the Board on social and ethics, safety, security and environmental as well as HR and remuneration matters. It reports to the Board in line with King IV requirements. The S&E is tasked with the overall accountability for performance monitoring against the HR Strategy, overseeing disciplinary and employment equity matters, remuneration issues, safety issues, environmental matters, HR policies and social responsibility.	Ms. Mbali Ndlovu (Chairperson) Mr. Tshepo Mofokeng Mr. Mark Gordon Adv Mothusi Tsineng Dr. Wolsey Barnard Mr. Justin Daniel

*Resigned – 6 November 2017

**Non-Board Members

1 Appointed –19 November 2017

2 Appointed –19 November 2017

3 Appointed – 5 January 2018

1. Risk Management

Although Risk Management is an ongoing exercise, the entity will conduct an annual risk workshop to identify the risks affecting the NRWDI at a corporate level. On a monthly basis, these risks and their controls will be discussed at Exco meetings to assess whether the controls are adequate and whether there is a need for further controls to be put in place. New and emerging risks together with their mitigation strategies will also be brought to the attention of Exco. On a quarterly basis, these risks and controls together with new and emerging risks as well as their mitigation strategies are discussed at Board Audit and Risk Committee meetings which in turn briefs the Board. The same approach used at the Board Audit and Risk Committee is utilised at quarterly review meetings with the shareholder.

Divisional Managers will have their own risk registers and a similar process will be followed to identify the corporate risks at a Divisional level to identify operational risks. There are instances where operational risks will become strategic risks and will therefore be escalated to the Board Audit and Risk Committee for resolution.

Board members were appointed as from 1 February 2017. The members to the Board Audit and Risk Committee were appointed on 24 March 2017. The Board Audit and Risk Committee will play an integral yet independent role in terms of advising the NRWDI on risk management and its effectiveness of their system of risk management.

2. Internal Control

Internal controls refers to the policies, practices and systems that the NRWDI has in place to provide reasonable assurance that the NRWDI will achieve its objectives, prevent fraud and corruption occurring, protect resources from waste, loss, theft or misuse and to ensure that its resources are utilised efficiently, effectively and in the best interests of the NRWDI. Internal controls will be implemented across the NRWDI.

3. Internal Audit and Audit Committees

The number of meetings held in the period under review is reflected in table 9 on page 32.

4. Compliance with Laws and Regulations

NRWDI aims to embed compliance with laws and regulations throughout the Institute as an integral part of its processes and operations in fulfilling its mandate.

To assist with compliance monitoring, NRWDI uses the Department of Energy's compliance calendar to ensure compliance with all required documentation in terms of the PFMA and Treasury Regulations within legislated timeframes. The NRWDI uses the National Treasury template to assess compliance with laws and regulations on a quarterly basis as part of the quarterly reporting process to the executive authority.

Action plans to address non – compliance will be developed and its implementation will be carefully monitored. The attendance of various external meetings also assists in familiarising ourselves with laws and regulations that need to be complied with.

Governance

5. Fraud and Corruption

The Fraud Prevention Plan provides for the process in terms of which NRWDI will mitigate, control and reduce the risk of fraud. The Fraud Prevention Plan also provides, amongst others, the mechanisms for the early detection of fraud and for the professional investigation of fraud offences so as to minimise the negative effects of fraud.

The NRWDI Fraud Prevention Plan will focus on addressing the root causes of fraud. This document is not all-encompassing and should not be seen as the only process relevant to NRWDI fraud prevention initiatives. It will however, be reviewed on an ongoing basis. Specific initiatives to be undertaken to prevent fraud are listed below and thereafter, discussed in greater detail:

- Comprehensive fraud risk register for NRWDI;
- Training and awareness;
- Anti –Corruption hotline;
- Recognition;
- Pre-employment vetting;
- Expediting disciplinary processes;
- Lessons learnt;
- Proactive fraud detection.

Over and above these specific initiatives, which are designed to be a deterrent, and to contribute to a “fraud averse” environment, effective internal controls are and will always remain the best protection against fraud. Internal controls are, by nature, designed to protect NRWDI against fraudulent activities.

The Fraud Prevention Plan accordingly relies on an effective Risk and Compliance function that utilises the risk-based approach to its work and ensures that compliance to internal controls are achieved, so as to minimise opportunities for fraud.

A whistleblowing policy has been drafted and awaits inputs from the Internal Auditor before being tabled at Board level for approval. At the outset, this was a policy that received priority-status in NRWDI. The policy serves as an excellent risk management tool. It also assists in creating, nurturing and shaping the organisational culture in NRWDI. The aim of the policy is to send out a strong message to staff, management and the Board that NRWDI is committed to a zero tolerance regarding fraud, corruption and maladministration. NRWDI has forged a relationship with the Public Service Commission to make use of their National Anti-Corruption Hotline on a no-fee basis as they are the custodians of good governance. This arrangement works well for NRWDI as it risked the possibility of incurring exorbitant costs if a private hotline had to be sourced. NRWDI is also exploring the opportunity of forging an MoU with the special investigating unit which will act as a deterrent against fraud and corruption.

6. Minimising Conflict of Interest

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

- Board and Executive members are required to disclose their financial interest annually as required by the DoE in terms of the financial disclosure frameworks;
- Consequence management will be resorted to should there be non-compliance;
- A conflict of disclosure template is a requirement that needs to be signed by all attendees in various management structures.

7. Code Of Conduct

A code of conduct for NRWDI was drafted. It was tabled at the various governance departments of the organisation and once the necessary approvals have been obtained it was brought to the attention of all staff. The code of conduct will serve as a guideline as to what is expected of staff from an ethical perspective on an individual level as well as their relationships with others. The education, training and awareness, in relation to the code of conduct, will also be conducted during induction and orientation programmes. A session, on an annual basis, with all staff will also serve as a refresher for ensuring that the code of conduct is adhered to.

8. Health Safety And Environmental Issues

We need to embrace and institutionalise a culture of operational excellence and in so doing we need to demonstrate our commitment to safety. It is imperative to inculcate safety principles continually, consistently and fearlessly in order to integrate it into all our operational activities and safety culture, which is understood to be non-negotiable.

For the period under review, NRWDI staff have worked 94 011 man-hours without a disabling injury. The Disabling Incident Injury Rate (DIIR) for NRWDI is zero.

9. Corporate Social Responsibility

NRWDI as a new entity, required a specific strategic positioning to ensure that its services are known to its stakeholders and have appeal in the current environment. To this end and despite the financial constraints experienced, the NRWDI collaborated with its key stakeholders to ensure that it operates on the same level as its well-established sister entities within the Department of Energy.

The NRWDI was presented with a few opportunities to achieve this strategic positioning during the financial year. These opportunities were among the highlights for the year which included the following:

The Learner Focus Week

The Learner Focus week is an annual initiative of the Department of Energy and was held at the Sol Plaatje University in Kimberly from 9 to 14 July 2017. The programme targets learners who are studying Mathematics and Science at high school level to encourage them to take up technical subjects such as Science; Technology; Engineering and Mathematics at higher learning institutions.

Governance

This annual programme is dedicated to addressing the imbalances of the past, and plays a significant role in assisting to remove these barriers of entry for learners to enter into the various professions. The programme also provides learners with increased knowledge of energy sources and the many benefits they bring for sustainable development and poverty reduction.

The National Science Week

The National Science Week is an annual initiative of the Department of Science and Technology. NRWDI, in conjunction with Necsa hosted approximately 300 learners from different schools around Gauteng and North West Province on each day of National Science Week held from 7 August until 11 August 2017 at Pelindaba. Students were reminded of the importance of Mathematics and Science and were encouraged to study these subjects at school and at higher learning institutions. It was emphasised that both maths and science are required for jobs that help to contribute to the country's economic growth and South Africa needs more scientists for new developments and innovation to take place.

Women in Energy Dialogue

Gender Equality has always been a core value of the struggle for a democratic South Africa and has been adopted into the country's governance processes with the establishment of the new dispensation in 1994, having been enshrined in the 1996 Constitution of South Africa. South Africa commemorates Women's Month in August as a tribute to the thousands of women who marched to the Union Buildings on 9 August 1956 in protest against the extension of pass laws to women. This historic march was a turning point for women in the struggle for freedom. As part of the "Women's Month" commemoration events, the Minister of Energy, hosted the Women in Energy Dialogue and launched the Women in Energy Awards in KwaZulu-Natal on 11 August 2017.

These events provided a platform for women to network, share their knowledge, discuss achievements and encouraged the advancement of women across all sectors of the energy industry under the theme: "The year of OR Tambo: Women in Energy United in Moving South Africa Forward".

Women in Nuclear Conference at Necsa

NRWDI collaborated with Necsa on the Women in Nuclear Conference, which was held on 31 August 2017 at Pelindaba. The Deputy Minister of Energy delivered the keynote address.

Engagement with the South African Young Professionals in Nuclear Society (SAYNPS)

The NRWDI met with representatives of SAYNPS to understand their scope and work and will in the next quarter become affiliated to this organisation so that its youth can participate and benefit from their activities.

Energy Indaba hosted by the Department of Energy

The Energy Indaba 2017 held during the first week in December was hosted by the Energy Minister and co-organised by various energy stakeholders, including NRWDI. The President delivered the keynote address at the Indaba. The Indaba focused on key energy policies that need to be considered in implementing the Energy Mix policy principle.

Establishment of the NRWDI Women's Development and Empowerment Forum

In support of the development and empowerment of the women at NRWDI, a Forum was established to highlight challenges and to provide inputs into strategies for women development and empowerment within the NRWDI and in the broader energy sector.

The NRWDI intends to work closely with the shareholder on its women and youth empowerment and specifically with the Women in Energy programmes to ensure that there is constant growth and development of women in the NRWDI. There have been preliminary discussions with the shareholder and NRWDI will now be made aware of any programmes that will allow for youth and women empowerment. The NRWDI will encourage staff to join and participate in these empowerment activities.





PART D

Human Resources Management



Human Resources Management

Introduction

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

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

During the financial year under review, the human resources management function continued to drive an agenda that champions delivery of HR actions in support of the organisation’s vision, mission, values and strategic goals. In this regard, this part of the annual report provides an overview of key HR matters.

Overview of HR matters at the public entity

Human Capital Management Framework

A human capital management framework of the organisation was developed. The framework describes the operating environment for human capital management. The adopted framework is presented diagrammatically below.

Human Capital Management Framework
(Table 11)



The primary focus during the period under review, in line with the adopted human capital management framework, was to develop foundational institutional governance prescripts, including policies and procedures, and associated administration systems and processes.

Conditions of Service and HR Policies

A comprehensive set of Conditions of Service and HR policies were developed. In total, 21 policies were finalised. The documents have created a foundation upon which human capital can be managed and developed, and also provide direction on managing and sustaining organisational performance, development and talent strategies.

Human Capital Strategic Plan

A 3-year human capital strategic plan was developed. The plan is an over-arching people management/HR strategy, encompassing all people-related dimensions of the organisation. It has been developed as a companion to the NRWDI Strategic Plan. It outlines HR goals and strategic objectives to deal with the Institute's human resources management challenges and people issues.

Performance Management System

A performance management framework and performance management and development policy to guide all aspects of performance management within the Institute was developed. In line with the framework and policy, a performance management system has been developed and adopted. The system enables performance contracting and performance evaluation processes.

Job Profiles and Performance Compacts / Agreements

HR completed job profiles for all jobs in the current structure of the Institute. The Key Performance Areas (KPAs) of each job profile then formed the basis of determining Key Performance Indicators (KPIs) for each employee's performance compact/agreement.

Employee Self-Service

During the period under review, NRWDI implemented an employee self-service portal. Staff are now using an electronic facility that provides:

- Instant access to information i.e., access to payslips, IRP5 certificates and personal information;
- Instant updating of personal information i.e., staff can directly update personal information such as addresses online;
- Electronic applications i.e., staff now complete leave requests online, which are also approved online.

Employment Equity Plan

In compliance with the Employment Equity (EE) Act, NRWDI has developed its first 5-year Employment Equity Plan (EEP), which shall serve as the basis for EE reports to the Department of Labour (DoL). In developing the EEP, the department has taken all necessary steps to execute the plan, according to the directives and steps prescribed by the DoL.

Human Resources Management

Labour and Employee Relations

A Recognition and Relationship Agreement was concluded between NRWDI as the Employer, and NEHAWU as a recognized Union. The Agreement officially recognizes NEHAWU as a Union possessing sufficient representation to exercise organisational rights within the NRWDI workplace, as conferred by the LRA, and also recognizes the Union as a bargaining agent for its members. The process of concluding the Agreement entailed various meetings involving extensive and lengthy deliberations between a Management task team and a NEHAWU Interim Committee.



Official Signing of NRWDI / NEHAWU Recognition and Relationship Agreement on 02 February, 2018

The Recognition and Relationship Agreement seeks to regulate the relationship between the Institute, the Union and its members employed by the Institute. Its purpose is to facilitate co-operative industrial relations between the Employer and Employees, and to give effect to the Parties' rights and obligations in terms of applicable legislation. The spirit and intention of the Agreement is to promote harmonious relations and partnerships in working together between the Institute's Management and NEHAWU, and to reinforce the common objective of ensuring the efficiency and success of the Institute. In summary, the Agreement forms the basis for all consultation, negotiation and interaction between Management and the Union.

HR challenges faced by the public entity

The human resource challenges faced by the organisation include:

- Employee engagement and productivity, due to the fact that the establishment and operationalisation processes are not yet concluded i.e., once the functional shift of the Vaalputs waste disposal facility is concluded, core business operations work deliverables shall be clearly defined;
- The need to ensure the right mix of skills and talent required to meet our mandate and organisational demands; and
- The need for staff development opportunities.

Future HR actions

• Skills Audit

NRWDI needs to conduct a skills audit to assess current skills/competency levels versus the required skills/competency levels. The audit should also refine and analyse skills gaps as well as develop individual development plans for each employee, together with a corporate workplace skills development plan.

- *Organisational Design*

NRWDI needs to review its organisational design. To be effective, the organisational design must be aligned to the Institute's operating model, which is the catalyst that allows the organisation to turn its strategy into results. The organisational design must clarify where, and how critical work gets done in service of the overall strategy. Amongst other elements, the organisational design must answer the following key questions: "What business processes should be deployed"? "What is the best organisational structure to support the business processes?"

- *Organisational culture*

NRWDI needs to develop and build an organisational culture that is conducive to high performance, engagement, as well as retention of talented individuals. To become entrenched, the culture has to be self-sustaining in terms of the patterns of behaviour that determine how things are done within the Institute.

- *Training and skills development*

Without appropriate human resource capacity, NRWDI's deliverables cannot be attained. To develop required skills necessitates a comprehensive talent management approach. Talent management is defined as a strategic integrated approach towards managing a person's career in terms of attracting, developing and retaining key individuals. Talent is the product of ability (competence, education, training and experience), coupled with motivation (engagement, satisfaction, challenge and wellness) and opportunity). The Institute, therefore, needs to adopt appropriate talent management strategies in alignment to its changing and dynamic operating environment.

- *Leadership / management capacity*

Good leadership and management is critical to every organisation. Employees need leaders and managers that they can look up to, learn from, and thrive with. The success or failure of an organisation can be directly attributed to the quality of its leadership and management. In order to deliver on its mandate, NRWDI will therefore need to have the requisite leadership, at all levels, and should thus focus on leadership / management capacity building.

- *HR information systems*

The Institute must independently manage all of its internal HR processes efficiently, while preserving the integrity of each process. This involves many transactions affecting people, including payroll management, leave management and administration, the benefits they receive etc. A robust fit-for-purpose system suited to the Institute's needs will have to be implemented.



Human Resources Management

Human Resource Oversight Statistics

Personnel cost per level

(Table 12)

Employment level	Total expenditure (R'000)	% of personnel expenditure to total personnel cost	Number of employees	Average personnel cost per employee (R'000)
Top management	11,119	44%	6	1,853
Senior management	3,222	13%	2	1,611
Senior management*	528	2%		264
Professionally qualified & experienced specialists and middle management	6,570	26%	7	939
Skilled technical and academically qualified workers, junior management, supervisors, foremen and superintendents	3,321	13%	6	554
Unskilled	254	2%	2	127
Total	25,015	100%	23	1 088

*Relates to 2 employees that resigned in May and June 2017 respectively.

Employment and vacancies by programme

(Table 13)

*Programme	2016/17 Number of employees	2017/18 Approved posts	2017/18 Number of employees	2017/18 Vacancies	% Vacancies
Administration	16	16	14	2	12.5%
Operations	2	2	2	0	0%
Technology & Siting	4	4	4	0	0%
Compliance	3	3	3	0	0%
Total	25	25	23	2	8%

*Operations Programme is executed mainly through Vaalputs staff, who are to be transferred to the Institute in due course.

*Two employees resigned from the Administration Programme in May 2017 and July 2017 respectively.

Employment and vacancies by level

(Table 14)

Employment Level	2016/17 Number of employees	2017/18 Approved posts	2017/18 Number of employees	2017/18 Vacancies	% Vacancies
Top management	6	6	6	0	0%
Senior management	4	3	2	1	33.3%
Professionally qualified & experienced specialists and middle management	7	8	7	1	12.5%
Skilled technical & academically qualified workers, junior management, supervisors, foremen, and superintendents	6	6	6	0	0%
Semi-skilled and discretionary decision making	0	0	0	0	0%
Unskilled and defined decision making	2	2	2	0	0%
Total	25	25	23	2	8%

*Senior Manager HR position converted to Manager HR level.

Employment changes

(Table 15)

Employment Level	Employment at beginning of period	Appointments	Terminations	Employment at end of period
Top management	6	0	0	6
Senior management	4	0	2*	2
Professionally qualified & experienced specialists and middle management	7	0	0	7
Skilled technical & academically qualified workers, junior management, supervisors, foremen, and superintendents	6	0	0	6
Semi-skilled and discretionary decision making	0	0	0	0
Unskilled and defined decision making and superintendents	2	0	0	2
Total	25	0	2	23

*Both terminations were resignations. There were no misconduct and disciplinary action cases.

Human Resources Management

Workforce Profile / Employment Equity Status as at 31 March 2018

(Table 16)

Employment Level	Male				Female				Foreign Nationals		Total
	A	C	I	W	A	C	I	W	Male	Female	
Top management	2	1	1	2	0	0	0	0	0	0	6
Senior management	1	0	0	0	0	0	1	0	0	0	2
Professionally qualified and experienced specialists and middle management	0	0	0	0	5	0	1	1	0	0	7
Skilled technical and academically qualified workers, junior management, supervisors, foremen, and superintendents	2	0	0	0	4	0	0	0	0	0	6
Semi-skilled and discretionary decision making	0	0	0	0	0	0	0	0	0	0	0
Unskilled and defined decision making	0	0	0	0	1	0	0	0	0	1	2
Total Permanent	0	0	0	0	1	0	0	0	0	0	1
Total temporary employees	5	1	1	2	9	0	2	1	0	1	22
Grand Total	5	1	1	2	10	0	2	1	0	1	23



PART E

Audited Annual Financial Statements

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General Information

Country of Incorporation and Domicile	South Africa
Nature of Business and Principal Activities	To provide for the establishment of a NRWDI in order to manage radioactive waste disposal on a national basis; to provide for its functions and for the manner in which it is to be managed; to regulate its staff
Directors	Mr. Tshepo Mofokeng Mr. Luvuyo Mkontwana Ms. Mbali Ndlovu Mr. Lebohang Sam Moleko Advocate Mothusi Lucas Tsineng Ms. Lerato Makgae (alternate, Mr. Jeetesh Keshaw) Mr. Trevor Mark Gordon Dr. Barry Kistnasamy – Resigned 06 November 2017 Dr. Wolsey Barnard (CEO) – Resigned 31 March 2018 Mr. Justin Daniel (CFO)
Registered Office	Elias Motswaledi Street Madibeng District Pelindaba North West Province 2025
Postal Address	Private Bag X1, Pretoria, 0001
Shareholder	Department of Energy
Bankers	ABSA Bank
Auditor	Auditor-General of South Africa

Directors' Responsibilities and Approval

The directors are required, in terms of the NRWDI Act and the PFMA, to maintain adequate accounting records, They 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. The directors are further responsible for ensuring that the results of its operations and cash flows for the period then ended, conforms to South African Statements of Generally Recognised Accounting Practice. The external auditors are engaged to express an independent opinion on the financial statements.

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

Standards for internal control aimed at reducing the risk of error or loss in a cost-effective manner, are in place. The standards include the appropriate 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 that the entity's business is conducted in a manner that, in all reasonable circumstances, is above reproach.

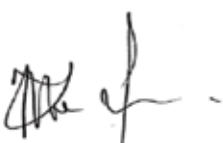
The focus of risk management rests with identifying, assessing, managing and monitoring all known forms of risk across the entity. While operating risk cannot be fully eliminated, the entity endeavours to minimise such risk by ensuring that appropriate infrastructure, controls, systems and ethical behaviour are applied and managed. Towards this end, predetermined procedures and constraints have been put in place to ensure a predictable outcome.

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 upon, for the preparation of the annual financial statements. However, any system of internal financial control can provide only reasonable, and not absolute, assurance against material misstatement or loss.

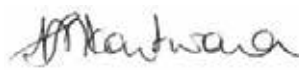
The directors have reviewed the entity's cash flow forecast for the year, up to and including March 31, 2018 and, in light of this review and the current financial position, are satisfied that the entity has or has access to adequate resources to continue in operational existence in the foreseeable future.

The external auditors are responsible for independently reviewing and reporting on the Institute's annual financial statements. These have been examined by the Institute's external auditors and their report is presented in the annual financial statements found on page 55.

The annual financial statements, as set out on pages 59 to 76, were approved by the board on 27 July 2018 and were signed on their behalf by:



Mr. Tshepo Mofokeng
Chairperson
Date: 31 July 2018



Mr. Luvuyo Mkontwana
Deputy Chairperson
Date: 31 July 2018

The directors present their report for the year ended 31 March 2018.

1. Review of activities

Main business and operations

The National Radioactive Waste Disposal Institute (NRWDI) is a state owned entity established in terms of the National Radioactive Waste Disposal Institute Act (53 of 2008) and is responsible for discharging an institutional obligation, as defined in Section 1 of the Nuclear Energy Act (46 of 1999), which relates to the disposal and related waste management of radioactive waste on a national basis. The Institute commenced operations on April 01, 2014.

The Institute uses a total radioactive waste management cycle to safely dispose of radioactive waste at the end of its life cycle.

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 NRWDI Act, the Public Finance Management Act (PFMA) and the Treasury Regulations.

2. Operationalisation of the entity

The directors, having taken office during the financial year, 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 plans to transfer the key operational activities and the preparation of the financing model for the entity.

3. Events after reporting date

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

4. Directors

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

Current Directors

(Table 17)

Name	Role	Appointed	Resigned
Mr Tshepo Mofokeng (Chairperson)	Non-executive	01 February 2017	-
Mr Luvuyo Mkontwana (Deputy Chairperson)	Non-executive	01 February 2017	-
Ms Mbali Ndlovu	Non-executive	01 February 2017	-
Mr Lebohang Sam Moleko	Non-executive	01 February 2017	-
Advocate Mothusi Lucas Tsineng	Non-executive	01 February 2017	-
Ms Lerato Makgae	Non-executive	01 February 2017	-
Mr Trevor Mark Gordon	Non-executive	01 February 2017	-
Dr Barry Kistnasamy	Non-executive	01 February 2017	6 November 2017
Dr Wolsey Barnard (Chief Executive Officer)	Executive	01 February 2017	31 March 2018
Mr Alan Carolissen (Acting Chief Executive Officer)	Executive	01 April 2018	-
Mr Justin Daniel (Chief Financial Officer)	Executive	01 October 2016	-

The Non-executive directors serve a three year term in accordance with their appointment by the shareholder.

Directors' Report

5. Appointment of Auditors

NRWDI being a state-owned entity must have its financial statements audited by the Auditor-General of South Africa (AG) in terms of the Constitution of the Republic of South Africa and the Public Audit Act of 2004. The AGSA will continue as auditors for the next financial year.

6. Vacancies

There were no vacant key positions during the financial year under review, however the CEO resigned on the last day of the financial year.

7. Materiality and significant framework

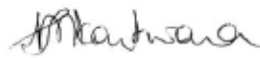
A materiality and significant framework has been developed for reporting losses through criminal conduct and irregular, fruitless and wasteful expenditure, as well as for significant transactions envisaged per section 54(2) of the PFMA that require ministerial approval. The framework was finalised after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

8. 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.



Mr. Tshepo Mofokeng
Chairperson
Date: 31 July 2018



Mr. Luvuyo Mkontwana
Deputy Chairperson
Date: 31 July 2018

Audit and Risk Committee Report

We are pleased to present our report for the financial year ended 31 March 2018.

The mandate of the Audit and Risk Committee (ARC) requires that it adheres to high-quality standards of accountability. This effectively ensures that the quality of the financial reporting processes, control systems, risk management process maintains a high degree of integrity in both the external and internal audit processes. The current audit committee was appointed in April 2017.

Audit committee responsibility

The audit committee reports that it has complied with its responsibilities arising from section 38(10)(1) of the PFMA and Treasury Regulation 3.1.

The audit committee also reports that having adopted appropriate formal terms of reference as its audit committee charter in the previous financial year, it has regulated its affairs in compliance with this charter and has discharged all its responsibilities as contained therein. The committee has also received a great deal of support from the Board, with regards to its operations.

Risk Management

The entity has continued to strengthen the management and monitoring of risk management, and is still in the early stages of operationalisation. Therefore, the committee continues to review the risk management process, strategic register and operational risk registers – so as to make the necessary inputs and contributions.

The effectiveness of internal control

A system of internal controls that have been applied by the entity where financial and risk management is concerned, is satisfactory. There has been significant progress, which has been noted during this financial year.

Accordingly, we can report that the system of internal controls that govern financial reporting for the period under review, was satisfactory, and significant improvements have both been implemented and noted.

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

Evaluation of audited annual financial statements

The audit committee has:

- Reviewed and discussed the audited annual financial statements that are 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; and
- Reviewed significant adjustments resulting from the audit.

The Audit Committee is satisfied with the standard and quality of information presented to the Committee, and that it is adequate to meet the requirements of the entity.

The audit committee is pleased with the Auditor General of South Africa's report on the audited annual financial statements. The committee is of the opinion that the audited annual financial statements should be accepted and read together with the report of the Auditor General of South Africa. In the short time that the Audit Committee and the Board have been appointed at NRWDI, we are pleased to announce that not only have the team managed to produce the first set of audited financial statements in the previous year, but that in the year under review, the entity has achieved a clean audit.

Internal audit

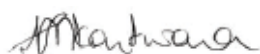
In line with the PFMA and the King IV Report on Corporate Governance requirements, an Internal Audit Unit has been established to provide the audit committee and management with the assurance that the internal controls are appropriate and effective. This is achieved by means of the risk management process, as well as the identification of corrective actions and suggested enhancements to the controls and processes. This is significant progress, and is in line with the entity's plans to maintain the clean audit, going forward.

Auditor-General of South Africa

The audit committee has met with the Auditor-General of South Africa to ensure that there are no unresolved issues.

Appreciation

The ARC expresses its sincere appreciation to the Board, the entire NRWDI Management team, NRWDI staff and the Auditor-General of South Africa for their collective contributions.



Mr. Luvuyo Mkontwana
Chairperson: Audit and Risk Committee
Date: 31 July 2018

External Auditors Report

Report on the audit of the financial statements

Opinion

1. I have audited the financial statements of the National Radioactive Waste Disposal Institute set out on pages 59 to 76, which comprise the statement of financial position as at 31 March 2018, the statement of financial performance, statement of changes in net assets and statement of cash flows for the year then ended, as well as the notes to the financial statements, including a summary of significant accounting policies.
2. In my opinion, the financial statements present fairly, in all material respects, the financial position of the National Radioactive Waste Disposal Institute as at 31 March 2018, and their financial performance and cash flows for the year then ended in accordance with South African Standards of Generally Recognised Accounting Practice (SA Standards of GRAP) and the requirements of the Public Finance Management Act of South Africa, 1999 (Act No.1 of 1999) (PFMA).

Basis for opinion

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

Responsibilities of the accounting authority for the financial statements

6. The accounting authority is responsible for the preparation and fair presentation of the financial statements in accordance with SA 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.
7. In preparing the financial statements, the accounting authority is responsible for assessing the National Radioactive Waste Disposal Institute'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 accounting authority either intends to liquidate the public entity or to cease operations, or has no realistic alternative but to do so.

Auditor-General's responsibilities for the audit of the financial statements

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

Report on the audit of the annual performance report

Introduction and scope

- 10 In accordance with the Public Audit Act of South Africa, 2004 (Act No. 25 of 2004) (PAA) and the general notice issued in terms thereof, I have a responsibility to report material findings on the reported performance information against predetermined objectives for selected programmes presented in the annual performance report. I performed procedures to identify findings but not to gather evidence to express assurance.
11. My procedures address the reported performance information, which must be based on the approved performance planning documents of the public entity. I have not evaluated the completeness and appropriateness of the performance indicators/ measures included in the planning documents. My procedures also did not extend to any disclosures or assertions relating to planned performance strategies and information in respect of future periods that may be included as part of the reported performance information. Accordingly, my findings do not extend to these matters.
12. I evaluated the usefulness and reliability of the reported performance information in accordance with the criteria developed from the performance management and reporting framework, as defined in the general notice, for the following selected programmes presented in the annual performance report of the public entity for the year ended 31 March 2018:

Programmes	Pages in the annual performance report
Programme 2 – Radwaste Operations	24
Programme 3 – Radwaste Technology and Siting	25
Programme 4 – Radwaste Compliance Management	26

13. I performed procedures to determine whether the reported performance information was properly presented and whether performance was consistent with the approved performance planning documents. I performed further procedures to determine whether the indicators and related targets were measurable and relevant, and assessed the reliability of the reported performance information to determine whether it was valid, accurate and complete.
14. I did not raise any material findings on the usefulness and reliability of the reported performance information for the following programmes:

Programme 2 – Radwaste Operations
Programme 3 – Radwaste Technology and Siting
Programme 4 – Radwaste Compliance Management

Other matter

15. I draw attention to the matter below.

Achievement of planned targets

16. Refer to the annual performance report on pages 21 to 26 for information on the achievement of planned targets for the year and explanations provided for the under/ over achievement of a number of targets.

External Auditors Report

Report on the audit of compliance with legislation

Introduction and scope

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

Other information

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

Internal control deficiencies

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

Auditor - General

Auditor-General
Pretoria
31 July 2018



AUDITOR - GENERAL
SOUTH AFRICA

Auditing to build public confidence

Annexure – Auditor-General’s responsibility for the audit

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

Financial statements

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

Communication with those charged with governance

3. I communicate with the accounting authority regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that I identify during my audit.
4. I also confirm to the accounting authority that I have complied with relevant ethical requirements regarding independence and communicate all relationships and other matters that may reasonably be thought to have a bearing on my independence and here applicable, related safeguards.

Statement of Financial Position

for the year ended March 31, 2018

		2018 R	2017 R
Assets			
Non-current assets			
Property, plant and equipment	4	1,678,055	1,157,474
Intangible assets	5	636,687	0
		2,314,742	1,157,474
Current assets			
Trade and other receivables	6	205,473	176,074
Cash and cash equivalents	7	7,651,113	6,987,765
Total assets		10,171,327	8,321,313
Equity and liabilities			
Equity			
Retained earnings		2,754,999	1,864,225
Current liabilities			
Trade and other payables	8	7,416,328	6,457,088
Total equity and liabilities		10,171,327	8,321,313

Statement of Financial Performance

for the year ended March 31, 2018

	Note(s)	2018 R	2017 R
Revenue from non-exchange transactions			
Government grants	9	30,000,000	10,000,000
Sales		0	5,111,947
Commission Received		520	0
Interest received		1,210,174	412,512
		31,210,694	15,524,459
Expenditure			
Advertising		71,667	407,451
Audit Fees		782,174	0
Bank Charges		48,358	2,494
Banners		16,074	0
Cleaning Services		0	5,502
Consulting Fees		3,850	402,210
Consumables		96,867	26,304
Contracted-out Services		278,907	418,166
Depreciation/amortisation		266,808	77,791
Directors' Emoluments	11	324,268	842,365
Electronic Office Equipment		265,212	
Entertainment		23,190	12,502
Financing Costs		3	0
Impairment of Receivables		0	5,131,603
Lease rental on operating lease		724,320	861,831
Legal Expenses		53,010	25,521
Licenses		23,224	0
Membership Fees		9,395	0
Newspapers		2,945	0
PC Software		15,732	0
Postal costs		13,189	1,500
Repairs & Maintenance		4,088	139,981
Printing and Stationery		260,441	27,328
Salaries		26,191,896	15,465,001
Telecommunication		173,982	9,812
Training		10,631	2,462
Travel – Local		447,979	151,899
Travel – Overseas		138,846	719,654
Utilities		0	94,549
Workshops & Conferences		72,863	99,551
		30,319,920	24,925,477
Surplus/(deficit) for the year		890,774	(9,401,018)

Statement of Changes in Net Assets

for the year ended March 31, 2018

	Retained earnings R	Total R
Balance at 1 April 2014		
Total comprehensive income for the year		
Surplus for the year	17,274,188	17,274,188
Total comprehensive income for the year	17,274,188	17,274,188
Balance at 31 March 2015	17,274,188	17,274,188
Balance at 1 April 2015	17,274,188	17,274,188
Total comprehensive income for the year		
Deficit for the year	(6,008,945)	(6,008,945)
Total comprehensive income for the year	(6,008,945)	(6,008,945)
Balance at 31 March 2016	11,265,243	11,265,243
Balance at 1 April 2016	11,265,243	11,265,243
Total comprehensive income for the year		
Deficit for the year	(9,401,018)	(9,401,018)
Total comprehensive income for the year	(9,401,018)	(9,401,018)
Balance at 31 March 2017	1,864,225	1,864,225
Balance at 1 April 2017	1,864,225	1,864,225
Total comprehensive income for the year		
Surplus for the year	890,774	890,774
Total comprehensive income for the year	890,774	890,774
Balance at 31 March 2018	2,754,999	2,754,999

Statement of Cash Flows

for the year ended March 31, 2018

	Note(s)	2018 R	2017 R
Cash flows from operating activities			
Surplus/(deficit) for the year		890,774	(9,401,018)
Adjustments for:			
Depreciation/amortisation		266,808	77,791
Operating cash flow before working capital changes		1,157,582	(9,323,227)
<i>Working capital changes</i>			
(Increase)/decrease in trade and other receivables		(29,399)	(20,957)
(Decrease)/increase in trade and other payables		(517,859)	5,063,167
Increase/(decrease) in provisions		1,477,100	1,151,351
Cash generated by/(utilised in) operating activities		2,087,424	(3,129,665)
Net cash from operating activities		2,087,424	(3,129,665)
Cash flows from investing and finance activities			
Property, plant and equipment acquired	4	(757,235)	(1,037,829)
Intangible assets acquired	5	(666,841)	0
Increase/(decrease) in cash and cash equivalents		663,348	(4,167,495)
Cash and cash equivalents at beginning of the year		6,987,765	11,155,260
Cash and cash equivalents at end of the year	7	7,651,113	6,987,765

Notes to the Annual Financial Statements

for the year ended March 31, 2018

Accounting Policies

1. General information

The annual financial statements have been prepared in accordance with the effective South African Standards of Generally Recognised Accounting Practice (SA Standards of GRAP) and the requirement of the Public Finance Management Act (PFMA) (Act no.1 of 1999).

2. Basis of preparation

The annual financial statements were prepared on the accrual basis of accounting and incorporate 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.

A summary of significant accounting policies is set out below.

3. Summary of significant 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. Significant judgements include:

3.1 Property, Plant and Equipment

Property, plant and equipment is initially measured at cost.

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

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

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

- Computer equipment 5 years
- Furniture and fittings 10 years
- Machinery & equipment 5 - 10 years

The residual value, useful life and depreciation method of each asset are reviewed at the end of each reporting period. If the expectations differ from previous estimates, the change is accounted for as a change in accounting estimate.

Notes to the Annual Financial Statements continued

for the year ended March 31, 2018

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

3.2 Intangible assets

An asset is identifiable if it either is separable, i.e. is capable of being separated or divided from an entity and sold, transferred, licensed, rented or exchanged, either individually or together with a related contract, identifiable assets or liability, regardless of whether the entity intends to do so; or arises from binding arrangements (including rights from contracts), regardless of whether those rights are transferable or separable from the entity or from other rights and obligations.

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

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

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 goodwill is not recognised as an intangible asset.

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

- Computer software and licences 5 years

3.3 Leases

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

Operating leases – lessee

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

3.4 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 assets but are included in the disclosure notes.

Notes to the Annual Financial Statements continued

for the year ended March 31, 2018

3.5 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).

3.6 Revenue recognition

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

Revenue from exchange transactions:

An exchange transaction is one in which the entity receives assets or services, or has liabilities extinguished and directly gives approximate equal value primarily in the form of goods, services or use of assets or services to the other party in exchange. Revenue from exchange transactions is comprised of regulated and non-regulated commercial revenue.

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

Project income received is recognised together with the respective expenses in the statement of financial performance.

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.

Stipulations on transferred assets are terms in laws or regulation, or a binding arrangement, imposed upon the use of a transferred asset by entities external to the reporting entity.

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 criteria, conditions or obligations embodied in the agreement. To the extent that the criteria, conditions or obligations have not been met, a liability is recognised.

Measurement

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

In these financial statements, surplus is used instead of profit as the entity is not profit driven, yet could generate surplus revenue over costs.

Notes to the Annual Financial Statements continued

for the year ended March 31, 2018

3.7 Fruitless and wasteful expenditure

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

Unauthorised expenditure is an overspending of the budget or expenditure which is not in accordance with the purpose of the budget.

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 (NRWDI) Act, No. 53 of 2008.

All unauthorised, irregular, fruitless or wasteful expenditure is charged against surplus or deficit in the period it was incurred.

3.8 Provisions and contingencies

Provisions are recognised when the entity has a present obligation as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the obligation.

The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at the end of the reporting period, taking into account the risks and uncertainties surrounding the obligation. When a provision is measured using the cash flows estimated to settle the present obligation, its carrying amount is the present value of those cash flows (where the effect of the time value of money is material).

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

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 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 and contingent liabilities are not recognised but disclosed in the notes to the annual financial statements.

Notes to the Annual Financial Statements continued

for the year ended March 31, 2018

3.9 Financial instruments

Initial recognition and measurement

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

Financial instruments are measured initially at fair value, except for equity investments for which a fair value is not determinable, which are measured at cost and are classified as available-for-sale financial assets.

For financial instruments which are not at fair value through profit or loss, transaction costs are included in the initial measurement of the instrument. Regular purchases and sales of investments are recognised on trade-date, i.e. the date on which the entity commits to purchase or sell the asset.

Subsequent measurement

Financial instruments at fair value through profit or loss are subsequently measured at fair value, with gains and losses arising from changes in fair value being included in profit or loss for the period.

Financial liabilities at amortised cost are subsequently measured at amortised cost, using the effective interest method.

Fair value determination

The fair values of quoted investments are based on current bid prices. If the market for a financial asset is not active (and for unlisted securities), the entity establishes fair value by using valuation techniques. These include the use of recent arm's length transactions, reference to other instruments that are substantially the same, discounted cash flow analysis, and option pricing models making maximum use of market inputs and relying as little as possible on entity-specific inputs.

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.

Income is recognised on an effective interest basis for debt instruments other than those financial assets classified as at Fair value through profit or loss.

3.10 Loans to shareholders, directors, managers and employees

These financial assets are classified as loans and receivables.

3.11 Related parties

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

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

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

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

Notes to the Annual Financial Statements continued

for the year ended March 31, 2018

3.12 Trade and other receivables

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 profit or loss 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.

Trade and other receivables (excluding prepayments, deposits and VAT receivable) are classified as loans and receivables.

3.13 Trade and other payables

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

3.14 Standards and interpretations effective and adopted in the current year

The following standards have been approved but are not yet effective and The Institute has not applied any of these standards. The impact of these standards on NRWDI when they do become effective are as follows:

(Table 17)

GRAP 18:	Segment Reporting – GRAP 18 is unlikely to have an impact on NRWDI when it does become applicable because there are no activities in NRWDI that are distinguishable from each other therefore it would not be appropriate to separately report financial information per segment since there are no distinguishable segments.
GRAP 105:	Transfers of Functions between Entities Under Common Control – Unlikely to have an Impact on NRWDI
GRAP 106:	Transfers of Functions between Entities Not Under Common Control – Unlikely to have an Impact on NRWDI
GRAP 107:	Mergers – Unlikely to have an Impact on NRWDI
GRAP 108:	Statutory Receivables – Unlikely to have an Impact on NRWDI
GRAP 17:	Service Concession Arrangements Where a Grantor Controls a Significant Residual Interest in an Asset – Unlikely to have an Impact on NRWDI

Notes to the Annual Financial Statements continued

for the year ended March 31, 2018

4. Property, plant and equipment

	2018			2017		
	Cost R	Accumulated depreciation R	Carrying value R	Cost R	Accumulated depreciation R	Carrying value R
Owned assets						
Machinery & Equipment	12,015	(980)	11,035	3,480	0	3,480
Office Furniture & Equipment	1,194,912	(200,444)	994,468	1,180,152	(75,346)	1,104,806
IT Equipment	816,102	(143,549)	672,553	82,162	(32,974)	49,188
	2,023,029	(344,973)	1,678,055	1,265,794	(108,320)	1,157,474

The carrying amounts of property, plant and equipment can be reconciled as follows:

	2018			
	Carrying value at beginning of year R	Additions R	Depreciation R	Carrying value at end of year R
Owned assets				
Machinery & Equipment	3,480	8,535	(980)	11,035
Office Furniture & Equipment	1,104,806	14,760	(125,098)	994,468
IT Equipment	49,188	733,939	(110,575)	672,552
	1,157,474	757,235	(236,654)	1,678,055

	2017			
	Carrying value at beginning of year R	Additions R	Depreciation R	Carrying value at end of year R
Owned assets				
Machinery & Equipment	0	3,480	0	3,480
Office Furniture & Equipment	131,476	1,034,349	(61,020)	1,104,806
IT Equipment	65,959	0	(16,771)	49,188
	197,435	1,037,829	(77,791)	1,157,474

A register containing the information required by Regulation 25(3) of the Companies Regulations, 2011 is available for inspection at the registered office of the company.

Notes to the Annual Financial Statements continued

for the year ended March 31, 2018

	2018			2017		
	Cost R	Accumulated amortisation R	Carrying value R	Cost R	Accumulated amortisation R	Carrying value R
5. Intangible assets						
Software	82,223	(13,704)	68,519	0	0	0
Licences	584,618	(16,450)	568,168	0	0	0
	666,841	(30,154)	636,687	0	0	0

The carrying amounts of intangible assets can be reconciled as follows:

	2018			
	Carrying value at beginning of year R	Additions R	Amortisation R	Carrying value at end of year R
Software	0	82,223	(13,704)	68,519
Licences	0	584,618	(16,450)	568,168
	0	666,841	(30,154)	636,687

6. Trade and other receivables

	2018 R	2017 R
Trade receivables	5,111,947	5,111,947
Deposits	141,571	145,871
Prepayments	18,392	0
Other receivables	45,510	30,203
Sundry debtors	19,656	19,656
Sub-total	5,337,076	
Less: Provision for impairment	(5,131,603)	(5,131,603)
Total	205,473	176,074

Trade and other receivables impaired

As of 31 March 2017, trade and other receivables of R5,131,603 was past due and provided for possible impairment. These amounts were fully provided for due to the uncertainty of their recoverability.

Reconciliation of provision for impairment of trade receivables

	2018 R	2017 R
Opening balance	5,131,603	0
Provision for impairment	0	5,131,603
Written-off as uncollectable	0	0
Closing balance	5,131,603	5,131,603

Notes to the Annual Financial Statements continued

for the year ended March 31, 2018

	2018 R	2017 R
7. Cash and cash equivalents		
Favourable cash balances		
Cash and cash equivalents	7,651,113	6,987,765
8. Trade and other payables		
Trade Creditors	4,787,877	5,305,737
Accrued liabilities – employee benefit accruals	2,628,451	1,151,351
	7,416,328	6,457,088
9. Government grants		
Unconditional Government grants	30,000,000	10,000,000
The funds of the entity consist of money appropriated by Parliament through National Treasury.		
10. Operating profit		
Operating profit is arrived at after taking into account the following items:		
Depreciation, amortisation and impairments		
<i>Owned assets</i>		
Office furniture & equipment	125,098	61,020
IT equipment	110,575	16,771
Machinery & equipment	980	0
Software and Licences	30,154	0
	266,808	77,791
Employee costs	26,191,896	15,465,001
Operating lease charges		
Office premises	724,320	961,882

Notes to the Annual Financial Statements continued

for the year ended March 31, 2018

	2018			
	Running Cost R	Company Contribution R	Remuneration R	Total R
11. Directors' emoluments				
Non-executive				
Mr. Tshepo Mofokeng (Chairperson)	6,317	3,028	162,456	171,800
Ms. Mbali Ndlovu	0	1,546	83,822	85,368
Mr. Lebohang Sam Moleko	0	1,176	47,410	48,586
	6,317	5,750	293,688	305,755
Committee members				
Prof. Johan Malherbe	0	0	9,932	9,932
Ms. Thandeka Zungu	0	0	14,898	14,898
	0	0	24,830	24,830
Total	6,317	5,750	318,518	330,585

	2017			
	Running Cost R	Company Contribution R	Remuneration R	Total R
Executive				
Prof. Gordon Sibiya*	58,840	6,857	681,600	747,297
Non-executive				
Mr. Eric MacDonald*	1,845	600	37,248	39,693
Mr. Clive Kneale*	7,905	755	41,629	50,289
Mr. Tshepo Mofokeng (Chairperson)**	0	0	13,972	13,972
Advocate Mothusi Lucas Tsineng**	0	0	8,560	8,560
Mr. Luvuyo Mkontwana**	0	0	8,560	8,560
Ms. Mbali Ndlovu**	0	0	8,560	8,560
Mr. Lebohang Sam Moleko**	6030	0	8,560	14,590
	15,780	1,355	127,089	144,224
Committee members				
Mr. Pieter Du Toit	0	76	3,784	3,860
Ms. Ntaoleng Kunene	5,961	367	21,238	27,566
	5,961	442	25,022	31,425
Total	80,581	8,654	833,711	922,946

*Term of office ended in October 2016

**Appointed 1 February 2017

Notes to the Annual Financial Statements continued

for the year ended March 31, 2018

	2018				Total R
	Retirement fund contribution R	Other company contribution R	Allowance R	Salary R	
12. Key Management Personnel					
Dr. Wolsey Barnard *	392,666	28,035		1,687,874	2,108,575
Mr. Cobus Beyleveld	210,357	23,152		1,220,643	1,454,152
Mr. Alan Carolissen	302,735	26,223		1,501,531	1,830,490
Mr. Justin Daniel *	213,696	25,543		1,482,304	1,721,543
Ms. Anjue Hirachund	225,938	24,372	2,597	1,312,753	1,565,661
Mr. Zweli Ndziba	165,282	26,608	10,788	1,576,486	1,779,164
Dr. Vusi Twala	233,730	27,555	15,068	1,623,020	1,899,373
	1,744,404	181,490	28,454	10,404,611	12,358,959

	2017				Total R
	Retirement fund contribution R	Other company contribution R		Salary R	
Dr. Wolsey Barnard *	185,220	10,099		794,780	990,099
Mr. Cobus Beyleveld	115,763	11,277		671,738	798,777
Mr. Alan Carolissen	190,399	14,478		942,934	1,147,811
Mr. Justin Daniel *	100,800	9,797		699,200	809,797
Ms. Anjue Hirachund	142,099	11,710		824,567	978,377
Mr. Zweli Ndziba	95,288	9,847		729,712	834,846
Dr. Vusi Twala	147,000	13,655		1,019,667	1,180,321
	976,569	80,862		5,682,598	6,740,028

*Dr. Wolsey Barnard (CEO) and Mr. Justin Daniel (CFO) serve as executive directors on the NRWDI Board of Directors.

13. Events after the reporting period

Management is not aware of any matter or circumstance arising since the end of the financial period that has a material impact on the entity.

In terms of Section 197 of the LRA, Necsa and NRWDI entered into an Agreement for the transfer of the Vaalputs staff from Necsa to NRWDI. The Vaalputs staff were transferred to the Institute with effect from 01 April 2018 and have been duly seconded to NECSA in order to continue to implement and maintain the Vaalputs nuclear installation Licence until such time that the Institute has been authorised to fulfil this function independently.

Notes to the Annual Financial Statements continued

for the year ended March 31, 2018

15. Financial instruments (continued)

15.1 Credit risk

Credit risk consists mainly of cash deposits, cash equivalents and trade debtors. The entity only deposits cash with major banks with high quality credit standing and limits exposure to any one counter-party.

The entity did not have any financial assets exposed to significant credit risk at year end.

15.2 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.

15.3 Interest rate risk

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

16. Commitments

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

Lease commitments

Operating leases

Other commitments

Capital commitments

Operational commitments

Total other commitments

	2018 R	2017 R
Operating leases	777,157	1,483,920
Capital commitments	424,770	0
Operational commitments	731,904	0
Total other commitments	1,156,674	0

Lease commitments

2018

Not later than 1 year

Total lease commitments

	Buildings and other fixed structures R	Total R
Not later than 1 year	777,157	777,157
Total lease commitments	777,157	777,157

The lease commitment relates to a lease agreement that was entered into with NECSA for office accommodation totalling 1000 square metres. The lease agreement is for the period 01 April 2018 to 31 March 2019. The balance of the lease is R777,157 and the remaining period is 12 months.

17. Contingencies

There is no reimbursement from any third parties for potential obligations of the entity, except for refunds due from suppliers and directors as per other receivables.

Notes to the Annual Financial Statements continued

for the year ended March 31, 2018

18. Public Finance Management Act

Material Losses:

No material losses through criminal conduct, irregular, unauthorised, fruitless and wasteful expenditure was incurred during the period ended 31 March 2018.

Irregular expenditure:

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

	2018 R	2017 R
Opening Balance	8,704,694	5,342,194
Add: Irregular Expenditure – current year	0	3,362,500
– Advertising	0	219,496
– S&T Overseas	0	576,781
– Consultants	0	394,938
– Legal Costs	0	12,547
– Workshops/Conferences	0	77,578
– Rental Paid	0	826,495
– Consumable Materials	0	3,822
– Electricity	0	87,433
– Repairs and Maintenance	0	139,981
– Capex	0	1,023,431
Less: Irregular Expenditure Condoned	–	–
Closing Balance	8,704,694	8,704,694
In the 2016 and 2017 financial year, goods and services in the amount of R3,362,502 and R5,342,194 respectively were procured without the due SCM processes being followed. The irregular expenditure is still under investigation and is not yet condoned.		
Analysis of awaiting condonation per age classification		
Current year	0	3,362,502
Prior years	8,704,696	5,342,194
Total	8,704,696	8,704,696

19. Budget

A total amount of R30 million in the form of a government grant was allocated by National Treasury for the 2017/18 financial year.

Notes to the Annual Financial Statements continued

for the year ended March 31, 2018

	Actual 2018 R	Budget 2018 R	Variance Year-end R
20. Reconciliation between Actual and Budget Amounts			
Income			
Government grants	30,000,000	30,000,000	0
Project funding (a)	0	9,550,000	(9,550,000)
Commission Received	520	0	520
Interest received	1,210,174	683,368	526,806
	31,210,694	40,233,368	(9,022,674)
Expenditure			
Salaries (b)	26,516,165	27,075,395	559,230
General Expenses (c)	3,532,859	3,467,921	(64,938)
Operating Material (a)	0	9,550,000	9,550,000
Repairs & Maintenance	4,088	30,000	25,912
Depreciation/amortisation (d)	266,808	110,052	(156,756)
	30,319,920	40,233,368	9,913,448
Surplus/(deficit) for the year	890,774	0	890,774

Notes:

- (a) Project funding income of R9.550 million relates to fees from externally funded projects which did not materialise, thus resulting in a deficit in this line item. Similarly, the budget also included the project expense of R9.550 million for operating material which resulted in the concomitant surplus of the same amount.
- (b) The surpluses in salaries is largely attributed to 2 vacancies in during the financial year. This was offset by an increase in the leave and performance bonus provisions.
- (c) The surpluses and deficits within the general expenses economic classification is largely attributed to the fact that the Institute did not have an appropriate baseline when compiling the 2018 budget, as it was the first financial year that the Institute had received an MTEF allocation as had commenced with its operationalisation.
- (d) The increase in depreciation is largely due to the procurement of computer equipment and IT infrastructure upon approval of retention of surplus funds.



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Environment calculator

The environmental impact was reduced by:



22 kg of landfill



3 kg CO₂ and greenhouse gases



30 km travel



875 litres of water



51 kWh of energy



36 kg of wood

Reduce your environmental impact with recycled papers.



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