



NATIONAL NUCLEAR REGULATOR

For the protection of persons, property and the environment against nuclear damage.

STRATEGIC PLAN OF THE NATIONAL NUCLEAR REGULATOR 2012 – 2017





FOREWORD

The Strategic Plan stipulates the aspirations and priorities of the NNR in the short to medium term. These priorities are delineated into goals and objectives in order to address the breadth of the organisation's mandate. As per the requirement from National Treasury, the Strategic Plan spans a five year period from 2012-2017 and is structured in accordance with the requirements stated in the "Framework for Strategic Plans and Annual Performance Plans".

As a regulator, the NNR's ultimate goal is to protect persons, property and the environment from nuclear damage. The NNR Act stipulates specific functional areas of focus and related expectations.

The strategic plan therefore integrates these obligations, stipulations and functions into priority areas and discusses how these are going to address the overall mandate of the organisation within the time frame specified.

OFFICIAL SIGN OFF

It is hereby certified that this Strategic Plan:

1. Was developed by the Board of Directors supported by management of the National Nuclear Regulator under the relevant provisions of the strategic framework policies as prescribed.
2. Takes into account all the relevant policies, legislation and other mandates for which the National Nuclear Regulator is responsible for.
3. Accurately reflects the strategic outcome oriented goals and objectives which the National Nuclear Regulator will endeavor to achieve over the period 2012-2017.



Adv Boyce Mkhize
Chief Executive Officer



Dr Tracy Cohen
Chairperson of the Board

¹ Framework for Strategic Plans and Annual Performance Plans, August 2010.



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STRATEGIC OVERVIEW

1 VISION

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

2 MISSION STATEMENT

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

3 VALUES

VALUES	DESCRIPTION
Professionalism:	We hold ourselves accountable to the highest standards of professionalism in everything we do.
Integrity	We demonstrate integrity and ethical conduct in all we do.
Excellence:	We strive for excellence in all we do.
Valuing People	We demonstrate that we value our people in all we do.
Team Work:	We demonstrate a team working approach across the NNR.
Openness and Transparency	We demonstrate openness and transparency in our interactions with all stakeholders.

4 LEGISLATIVE AND OTHER MANDATES

The NNR has been established in terms of the National Nuclear Regulator Act 47 of 1999. As a creature of statute, the NNR should comply with the Constitution of the Republic of South Africa of 1996 (Act No. 108 of 1996) and other legislation like the National Environmental Management Act No. 107 of 1998 (NEMA), Public Finance Management Act No. 1 of 1999 (PFMA), and Treasury Regulations (TR) etc.

4.1 Constitutional mandates

The Constitution is the supreme law of the Republic and any law or conduct inconsistent with it is invalid, and the obligations imposed by it must be fulfilled. The NNR Act gives effect to the Constitution by setting out mechanisms for the protection of the people, environment and property, thereby enhancing the quality of life, providing for the enjoyment of a right to life, clean environment and the right to health as enshrined in the Bill of Rights. The NNR regulatory mandate seeks to give effect to the true enjoyment and fulfilment of these rights by providing a mechanism for an environment that is underpinned by nuclear safety.

STRATEGIC OVERVIEW

4.2 Legislative mandates

Section 5 of the NNR Act provides that the objectives of the Regulator are to:

1.	Provide for the protection of persons, property and the environment against nuclear damage through the establishment of safety standards and regulatory practices;
2.	Exercise regulatory control related to safety over the siting, design, construction, operation, manufacture of component parts, and decontamination, decommissioning and closure of nuclear installations;
3.	Exercise regulatory control over other actions, to which this Act applies, through the granting of nuclear authorisations;
4.	Provide assurance of compliance with the conditions of nuclear authorisations through the implementation of a system of compliance inspections;
5.	Fulfil national obligations in respect of international legal instruments concerning nuclear safety;
6.	Ensure that provisions for nuclear emergency planning are in place.

Furthermore, the Act stipulates that the functions of the Regulator are to:

1.	Grant or amend nuclear authorisations;
2.	Employ assets and deploy resources (hire, purchase, acquire);
3.	Collaborate with other institutions for the collection and dissemination of scientific and technical information regarding nuclear energy;
4.	Collaborate with other institutions regarding provision of instruction for or training of persons required by the NNR;
5.	Provide financial and other assistance for the training of people to enable the NNR to perform its functions;
6.	Insure itself against loss, damage, risk or liability;
7.	Advise the Minister on:
a.	Conditions that may cause nuclear damage
b.	Items the Minister has referred to the NNR
c.	What the NNR thinks necessary;
8.	Act as national competent Authority in connection with International Atomic Energy Agency's Regulations;
9.	Conclude contracts to enhance the value of the services rendered by the NNR;
10.	Prepare & submit annual report on the health & safety of workers, the public and environment associated with all sites.

4.3 Policy Mandates

The National Nuclear Regulator (NNR) is mandated to provide for the protection of persons (the public and workers), property and the environment against nuclear damage as the competent authority for nuclear regulation in South Africa. This mandate is articulated in a number of policy documents or instruments as reflected hereinbelow:

a. Nuclear Energy Policy

The Nuclear Energy Policy for the Republic of South Africa was published in June 2008. The docu-

ment presents a policy framework within which prospecting, mining, milling and use of nuclear materials as well as the development and utilisation of nuclear energy for peaceful purposes by South Africa shall take place. The document covers the prospecting and mining of uranium ore and any other ores containing nuclear materials, as well as the nuclear fuel cycle in its entirety, focusing on all applications of nuclear technology for energy generation.

One of the 16 principles of this Policy is that Nuclear Energy shall be used as part of South Africa's diversification of primary energy sources and to ensure security of energy supply.

- b. **Radioactive Waste Management Policy and Strategy for the Republic**
In carrying out its regulatory mandate, the NNR ensures that policy guidelines and principles relating to radioactive waste management are supported in as far as safety is concerned. The requirements relating to the radioactive waste management are assessed and compliance is monitored for NNR authorisation holders. The NNR also provides input in regard to the functions of the National Steering Committee.
- c. **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 and is subject to comments from peers to learn from best practices in an endeavour to strengthen nuclear safety. One of the objects of the NNR is to fulfil national obligations in respect of international nuclear instruments concerning nuclear safety such as the conventions mentioned above.

4.4 Relevant court rulings

McDonald Court Case

Pursuant to the McDonald Court case ruling, the NNR Board of Directors made recommendations to the Minister of Energy on Draft Regulation on Control of Developments surrounding the Koeberg Nuclear Power Station. The draft Regulations seek to regulate the monitoring and control of developments within vicinity of Koeberg Nuclear Power Station. The Department of Energy published the Draft Regulations for public comment in November 2010 under Government Notice No 33678 and public comments were received and are now being reviewed. The delays in finalising the regulations have been caused by protracted engagements with the community and other stakeholders.

4.5 Planned policy initiatives

This section is not applicable to public entities.

5 SITUATIONAL ANALYSIS

The NNR conducted a situational analysis (PESTEL), which will enable the organization to be cognisant of external factors that might have an impact on how it conducts business and deliver on the mandate. The situational analysis is one of the tools that were utilized to inform our strategic planning process.

PESTEL analysis was conducted under the following headings:

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Political Factors- There have been some political decisions that will have an impact on the NNR's ability to deliver on its mandate and are going to be addressed in this strategic plan. The Government has developed and implemented a planning framework consisting of an Integrated Energy Plan, Integrated Resources Plan and the nuclear expansion program which requires the NNR to prepare and ensure that it is adequately resourced (financially, human resources, skills set) to meet these new development.

Economic Factors – the world economic crisis which has manifested itself in larger and historically stable economies indicates that the world economic crisis will take longer to recover than it was originally anticipated. The implication of the recession is that governments, corporates and individuals are struggling financially and the South African Government is not exempt from this challenge. This has resulted in the South African government through the National Treasury, reducing the grants that are given to public entities including the NNR. In addition, the government expects organizations to do more with less money. The unforeseen closure of PBMR (although a grant was given by Government for 2011/12).

Social Factors - There is increasing growth and developments surrounding certain nuclear installations like Koeberg Nuclear Power Station and NECSA. This poses a threat on the ability for the nuclear facilities to ensure the effective implementation of any nuclear emergency plan to ensure the safety of the public and the viability of the emergency plans.

This implies that the draft Regulations which seek to regulate the monitoring and control of developments within vicinity of Koeberg should be finalised speedily.

The challenges experienced at Tudor Shaft with regards to the identification of suitable areas for human settlements, mean that the Regulator has to increase its outreach and awareness programmes regarding safety issues.

Technological Factors -The proposed nuclear expansion programme might introduce some newer or updated technology to the country and thus require the NNR to update its regulatory framework, practices and update or acquire new skills. The implementation of the IRP2010 increases nuclear as part of the energy mix. The NNR will be confronted in the near future with the authorisation of potentially new reactor technologies for power generation as well as isotope production. Further the implementation of the Nuclear Energy Policy calls for the localisation of manufacturing of components as well as for the country to re-establish the capacity for the entire fuel cycle. Major modification and the upgrade of the power of the Koeberg reactors are also planned. All these will present various challenges relating to resources and potentially the licensing of new and unfamiliar technologies to the Regulator.

Environmental Factors - Environmental issues such as acid mine drainage, radon in dwellings and derelict and abandoned mines present potential radiological hazards to the public and the management thereof poses particular challenges given that the issues fall within the purview of the responsibility of multiple stakeholders, which creates a lack of ownership as to who is to lead. Strategies relating to the protection of the public for these types of exposure scenarios will require relevant government departments and other relevant entities to cooperate and put in place relevant framework for the protection of the public requiring a coordinated and cohesive effort from all role players.

Events such as Fukushima and issues around climate change require the Regulator to respond appropriately which in turn place additional burden on the already limited resources of the organisation and requires the NNR planning processes to be dynamic and responsive.

Legal Factors - the NNR has submitted the amendments to the NNR Act to the Minister of Energy in the first quarter of the financial year 2011 and anticipates approval to be granted so as to enable the organisation to be more effective in delivering its mandate. Other legal matters which are of great significance are the developments of regulatory oversight around nuclear facilities.

It should be noted that it was not only the external situational analysis which was conducted in planning for the trajectory of the NNR for the next five years. Management also conducted an internal SWOT analysis in order to determine internal adequacies within the organisation to be able to fulfil its mandate.

5.1 Performance environment

The NNR achieved 60% performance against the predetermined targets for the financial year 2010/11. Under the review period the NNR had the following strategic priorities: to optimise regulatory framework, improve stakeholder relations, ensure financial viability and sustainability, create a high performance culture, promote good governance, develop and maintain sound organisational infrastructure as well as appropriate deployment and management of talent and knowledge.

The challenges experienced by the organisation which resulted in the achievement of only 60% of planned objectives are as a result of the following factors:

- Re-prioritisation of planned objectives led by the need to place emphasis on long term goals for efficiencies and effectiveness;
- Independent analytical verification capability (laboratory) not being established; and
- Lack of adequate capacity and managerial oversight on competing priorities.

A major restructuring process has now been undertaken to position the NNR as a much more efficient and effective body with attendant performance management systems being rigorously implemented and monitored.

5.2 Risk Management

A risk assessment was conducted earlier in the year and it was determined that the NNR is exposed to risks relating to the following strategic objectives, amongst others:

5.2.1 Financial Viability and sustainability

The NNR faces a risk of insufficient funding. This is caused by amongst others, the diminishing state allocation coupled with delays in the approval and gazetting of authorisation fees; difficulties in economic conditions and non-payment of authorisation fees by some authorisation holders. The current financial model does not adequately address to the full extent the activities of the NNR.

To address these challenges, the NNR will strive to maintain adequate funding and is therefore in a process of reviewing its funding model with a view to ensuring sustainability.

5.2.2 Effective Regulatory Oversight to Assure Nuclear Safety

The NNR regulatory framework may not be adequate. This results from insufficient regulatory standards and practices (policies, regulations, requirements, guidance and position papers); insufficient framework standards and expertise; lack of standardised manuals and procedures for authorisation; uncertainties in the overall planning of the nuclear expansion programmes; lack of appropriate provisions in the NNR Act covering nuclear security. The NNR Act is being amended to factor consideration of these issues.

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To address the above, the NNR is currently developing a comprehensive regulatory framework while reviewing the capacity requirements in line with the strategy and restructuring process. The resulting resource requirements will be submitted to DOE and National Treasury. A team will be set up to develop a strategy and approach to nuclear expansion requirements. The nuclear security strategy will be developed and implemented.

Further, the NNR will co-ordinate efforts with other regulatory and law enforcement agencies e.g. DOH Directorate Radiation Control, NIA etc. to address the above risks.

5.2.5 Strengthen Stakeholder Relations and Enhance the Corporate Image of the NNR

The low public awareness levels of Nuclear Safety and the role of the NNR poses a risk to the NNR. This is caused by lack of formalised internal and external communication strategy; lack of public information and education related to nuclear regulation; lack of enforcement actions; inadequate feedback process from stakeholders and poor performance and service delivery.

To address the risks, the NNR will develop and implement a comprehensive Communication Strategy.

5.2.6 Develop and Maintain Sound Organisational Infrastructure

The need to focus on sound infrastructural development and maintenance was motivated by a general inadequacy in our ICT governance. Some of the risks posed included failure to maintain ICT infrastructure and over reliance on third parties. Other risk factors identified included the failure to keep abreast with developments; inadequate understanding of the role of ICT in the organization; inadequate understanding of the legal requirements; inadequate resources; poor maintenance of infrastructure; limited skills to maintain the infrastructure; change in technology; lack of financial resources and planning and lack of integrated change management processes.

In order to address this, the NNR will ensure that ICT governance structures and policies are developed and implemented.

5.2.7 Effective Human Capital

Scarce nuclear skills and related capacity constraints in the sector and particularly to the NNR.

Potential loss of corporate information and memory is another challenge. This results from lack of succession planning; lack of a knowledge management system; inadequately documented processes and policies and lack of mentorship.

The risks of maintaining an effective human capital will be addressed through the development and implementation of a succession plan and knowledge management strategies.

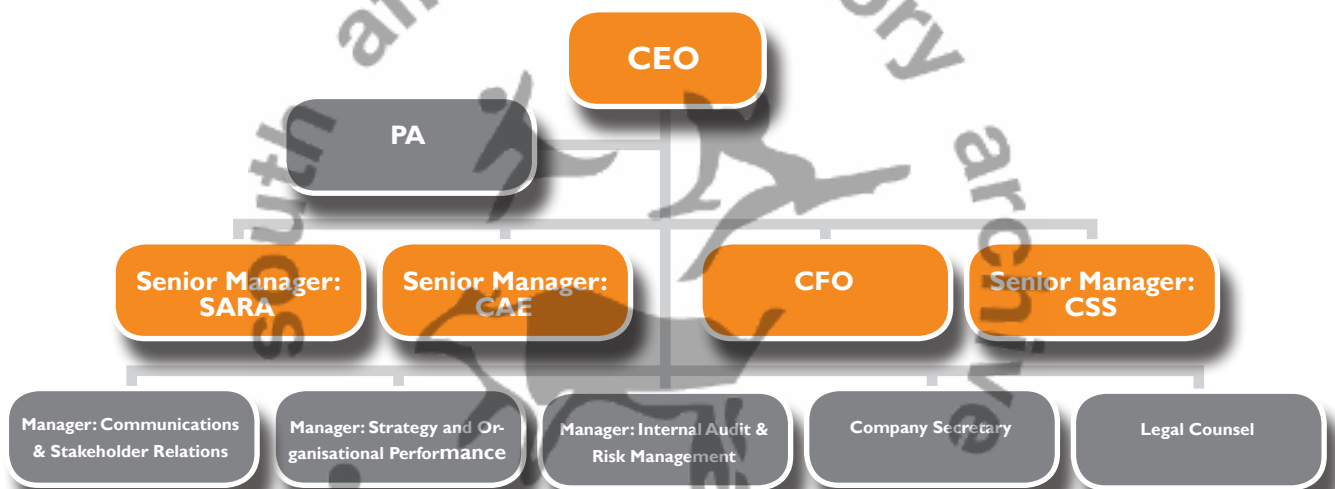
5.3 Organisational environment

In accordance with the NNR Act, the organisation is governed by a Board of Directors, appointed by the Minister of Energy. In addition to the requirements of the NNR Act, PFMA, TR and other legislation, the organisation must adhere to good governance principles and best practice, which requires the establishment of the following governance structures: Board of Directors, Audit and Risk Management Committee, Transformation and Development Committee, Technical Committee, Executive Management Committee, and appropriate procurement committees.

The Board of Directors is responsible for, inter alia, ensuring the establishment and maintenance of:

- Effective, efficient and transparent systems of financial and risk management and internal control;
- A system of internal audit under the control and direction of an audit committee complying with and operating in accordance with regulations and instructions prescribed in terms of sections 76 and 77; and
- An appropriate procurement and provisioning system which is fair, equitable, transparent, competitive and cost-effective.

To this end, the Board is confident that there are proper systems and procedures in place, and the organisation is being steered towards the optimal fulfilment of its mandate.



NNR completed a restructuring process during June 2011 and a new organisational structure is presented below:

The NNR underwent a restructuring process in order to:

- Create a flatter and leaner structure.
- Redefine the roles to create an effective structure that will deliver on strategic objectives.
- Create a logical organisational structure that creates a flow between and within functions.
- Reinforce compliance and governance structures in terms of current legislation.

Although the current staff complement of the organisation is 83, the approved and projected staff complement is 120 as entailed in the MTEF. The NNR is currently filling some of the vacancies that were created as a result of the restructuring of the organisation in order to ensure adequate capacity to deliver on the NNR mandate.

5.4 Description of the Strategic Planning process

The strategy formulation process of the NNR included an assessment of how both the external and internal factors may shape the future operating environment. The situational analysis that was utilised was the PESTEL which was discussed by the NNR staff members, senior managers and the board of directors, which included, inter alia, political developments, major economic events, relevant and sig-

STRATEGIC OVERVIEW

nificant social developments, and technological developments in the nuclear industry.

These factors are reviewed on an annual basis during the strategic planning process because they have an impact on the organisation's ability to deliver its mandate as well as assist management to position the organisation for future events.

6 STRATEGIC OUTCOME ORIENTATED GOALS

The NNR has adopted the following strategic priorities and goals:

1. Effective Regulatory oversight and framework to assure Nuclear Safety and Security.
2. Strengthen stakeholder relations and enhance corporate image.
3. Create a high performance culture.
4. Ensure financial viability and sustainability of the organisation.
5. Develop and maintain sound organizational infrastructure.
6. Enhance good governance.
7. Ensure effective Human Capital Management.

Goal 1:	Effective Regulatory framework to assure Nuclear Safety and Security To provide efficient and effective nuclear regulatory services.
Goal Statement	<ul style="list-style-type: none"> • Develop and implement regulatory programme for regulation of NPPs, fuel cycle, research reactors, NORM facilities and other actions. • Regulate the safe operation of existing holders and prepare for applications related to nuclear expansion programme. • Conduct regulatory emergency preparedness & response and security exercises. • Enhance regulatory programmes and apply safety focused research. • Provide assurance of safety performance of holders through inspections, audits, investigations and taking of enforcement action for identified non-compliances. • Strengthen independent analytical verification capability and capacity within the NNR. • Fulfil international obligations in terms of the various conventions over which the NNR has jurisdiction.
Goal 2	Strengthen stakeholder relations and enhance the corporate image of the NNR To strengthen stakeholder relations and enhance the corporate image of the NNR.
Goal Statement	<ul style="list-style-type: none"> • Effective Communication services to increase awareness of the NNR through regular and structured engagement with relevant stakeholders. • Media Liaison that manages on-going interaction and communication between the Media and NNR. • Online Presence which updates and maintains the content of the NNR website. • Stakeholder engagement which facilitates national and international cooperation.

Goal 3	Create a High Performance Culture To establish and maintain a high performance culture in maintaining a nuclear regulatory framework while adhering to national and international standards.
Goal Statement	<ul style="list-style-type: none"> • Defined and established set of regulatory safety standards and internal service standards. • Institute and maintain performance management system for the organisation. • Maintain a system for monitoring adherence to service level standards and agreements.
Goal 4	Ensure Financial Viability and Sustainability of the Organisation To make sure that the NNR is financially viable and sustainable so that it can remain a going concern.
Goal Statement	<ul style="list-style-type: none"> • Develop a viable funding model. • Implement procedures for effective and efficient financial management. • Review formula for the calculation of authorisation fees. • Review financial liability framework and verify the adequacy of the level of financial security as entailed in the NNR Act. • Ensure adequate cashflow and liquidity of the NNR.
Goal 5	Develop and Maintain Sound Organisational Infrastructure
Goal Statement	<ul style="list-style-type: none"> • Implement a knowledge management system. • Maintain building infrastructure. • Maintain sound ICT infrastructure. • Maintain an ergonomically friendly environment.
Goal 6	Enhance Good Governance
Goal Statement	<ul style="list-style-type: none"> • Improve and maintain a system of internal controls. • Ensure compliance with applicable legislation and policy framework. • Maintain independent and effective governance structures.
Goal 7	Ensure Effective Human Capital Management

STRATEGIC OVERVIEW

Goal Statement	<ul style="list-style-type: none"> • Attract, develop and retain skilled staff. • Implement effective talent management and succession planning measures. • Institute capacity development measures. • Implement an effective performance management system. • Maintain a positive employee relations environment. • Develop and implement employment equity targets (EE etc.).
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PART B: STRATEGIC PRIORITIES, GOALS & OBJECTIVES

7 PROGRAMMES

7.1 NNR Programmes

PROGRAMME	PROGRAMME PURPOSE
Standards Authorisations & Reviews Assessments (SARA)	<p>The Standards, Authorisations Reviews and Assessments (SARA) division provides strategic leadership and management in the following areas;</p> <ul style="list-style-type: none"> • Authorisations for Nuclear Vessel Licences (NVL), Nuclear Installations (NIL), Certificate of Registrations (COR) and Certificates of Exemption (COE). The program produces standards related to the core themes such as risk analysis, structural analysis, nuclear engineering and structural engineering. • The Reviews and Assessments are conducted with regard to design safety radiation protection operational safety. • Managing of special projects such as the Fukushima project, Radiation Protection and Nuclear New Build. • Research and development is conducted on emerging issues regarding radiation protection.
Compliance Assurance and Enforcement (CAE) Division	<p>The Compliance Assurance and Enforcement (CAE) division provides strategic leadership and management of the compliance and enforcement activities, processes and programmes for all the regulated nuclear technologies. The CAE division ensures the establishment of effective and efficient delivery systems related to the compliance assurance and enforcement activities in nuclear safety and security. This includes conducting compliance assurance inspections, audits, investigations, surveillances, environmental monitoring and sampling.</p>
Communication & Stakeholder Relations	<p>This programme provides strategic leadership for purposes of ensuring coherent coordination, consistency, quality, impact and responsiveness of NNRs communications and stakeholder engagements. It also assists to strengthen the system of NNR's communications and face-to-face engagements through sound stakeholder relations. This programme is also responsible for ensuring that the public is accurately informed about matters relating to nuclear safety and the roles and responsibilities of the NNR.</p>
Corporate Support Services	<p>This programme provides strategic leadership and direction in the areas of Human Capital Management, Facilities Management, ICT and Occupational Health and Safety. The primary focus of the programme is in ensuring efficient processes and resources in support of the organization's strategic objectives.</p>

Financial Management & Administration	This programme provides strategic financial leadership for the purposes of managing and directing the Finances of the NNR. The management includes financial planning, financial reporting, safeguarding of assets, enforcing adherence to applicable legislations, effective supply chain processes and efficient usage of public funds. The program also covers oversight role in implementing financial systems that supports robust systems of internal control.
Governance Internal Audit	Internal audit provides assurance to the NNR's stakeholders, that the organisation operates in a responsible manner by performing the following functions, amongst others: a) Evaluating the organisation's governance processes including ethics, especially the 'tone at the top'; b) Performing an objective assessment of the effectiveness of risk management (outsourced) and the internal control framework; c) Systematically analysing and evaluating business processes and associated controls; and d) Providing a source of information, as appropriate, regarding instances of fraud, corruption, unethical behaviour and irregularities. Internal Audit reports functionally to the Audit and Risk Management Committee (ARMCOM) and Administratively to the CEO.
Risk Management	Risk management is a systematic and formalised process instituted by the organisation to identify, assess, manage and monitor risks. While Enterprise-wide Risk Management is the application of risk management throughout the institution rather than only in selected business areas or disciplines. The Internal Audit and Risk department assists management by co-ordinating and facilitating the risk management activities within the NNR.
Company Secretariat	This programme provides for strategic leadership for purposes of ensuring the effective and efficient functioning of the Board and its Board Committees. This is done through providing the Board with quality, consistent and responsive administrative and logistical support. It also assist the Board and Board members to discharge their role and responsibilities. The programme is also mandated to ensure that it is the source to provide guidance on good corporate governance principles and practices for the Board and the organisation as a whole. This is done through, inter alia, that NNR's Board Compliance Index and other measures.
Strategy and Organisational Performance	The purpose of this function is to ensure formulation, development of strategy and execution of the organisation's mandate in line with the NNR Act, utilizing a Strategic Plan that is aligned to National Planning Framework and Priorities. The function also monitors and evaluates organization performance, providing performance enhancing solutions that will aid in the attainment of performance targets.

STRATEGIC OVERVIEW

7.2 CORPORATE BALANCED SCORECARD

The NNR has adopted the balanced scorecard methodology to implement and monitor its strategy. The balanced scorecard approach will facilitate the cascading down and communication of the strategy to the entire organisation and its stakeholders.

The seven strategic priorities have been mapped on the corporate balance scorecard as follows:

CUSTOMERS AND STAKEHOLDERS	NNR VISION AND STRATEGY	INTERNAL BUSINESS PROCESS
<ul style="list-style-type: none"> • Effective regulatory framework. • Strengthen stakeholder relations and enhance corporate image. 		<ul style="list-style-type: none"> • A high performance culture • Enhance good governance. • Develop and maintain sound organizational infrastructure.
LEARNING AND GROWTH		FINANCE
<ul style="list-style-type: none"> • Effective Human Capital Management. 		<ul style="list-style-type: none"> • Financial viability and sustainability.

The strategic priorities have been mapped into a balanced scorecard and high level measures of success have been identified in order to clarify execution.

7.3 RESOURCES CONSIDERATIONS

Below is financial forecasting and the projected cost of the strategic plan.

National Nuclear Regulator Revised estimate

Revenue	2011/12	2012/13	2013/14	2014/15	2015/16	2016/17
Authorisation fee	82 081	102 115	120 361	132 196	130 788	135 778
Interest income	2 500	3 929	1 788	550	500	500
- Government grant	35 430	43 260	34 452	36 558	51 240	53 802
TOTAL REVENUE	120 011	149 304	156 601	169 303	182 528	190 080
EXPENDITURE						
Compensation of employee	85 042	105 645	119 982	122 200	102 708	107 843
Goods and services	31 830	38 464	39 283	41 627	63 510	66 685
Interest paid	21	12	13	13	618	661
Depreciation	9 216	5 183	5 323	5 463	5 773	5 863
Capital expenditure	11 810	12 950	2 135	2 857	1 000 000	1 000 000
TOTAL EXPENDITURE	121 109	149 304	156 601	169 303	182 609	191 052
SURPLUS/(DEFICIT)	(1 098)	-	-	-	(81)	(972)

NNR ANNUAL PERFORMANCE PLAN

(Cycle 2012-2017)

2012 / 13 Annual Plan

31 January 2012



ACRONYMS

CAE	Compliance Assurance & Enforcement
CEO	Chief Executive Officer
CFO	Chief Financial Officer
CI	Chief Inspector
COE	Certificate of Exemption
COR	Certificate of Registration
CS	Company Secretary
FC	Functional Coordinator
KPNS (KP)	Koeberg Nuclear Power Station
MCSR	Manager Communications & Stakeholder Relations
NORM	Naturally Occurring Radioactive Material
NTWP	Nuclear Technology and Waste Products
NVL	Nuclear Vessel Licence
SARA	Standards Authorisations Reviews and Assessments
SM: SARA	Senior Manager: Standards Authorisations Reviews and Assessments
SM: CAE	Senior Manager: Compliance Assurance & Enforcement

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PART A: STRATEGIC OVERVIEW

VALUES	
Value	Description
Professionalism	We hold ourselves accountable to the highest standards of professionalism in everything we do.
Integrity	We demonstrate integrity and ethical conduct in all we do.
Excellence	We strive for excellence in all we do.
Valuing People	We demonstrate that we value our people in all we do.
Teamwork	We demonstrate a team working approach across the NNR.
Openness and Transparency	We demonstrate openness and transparency in our interactions with all stakeholders.

MISSION STATEMENT

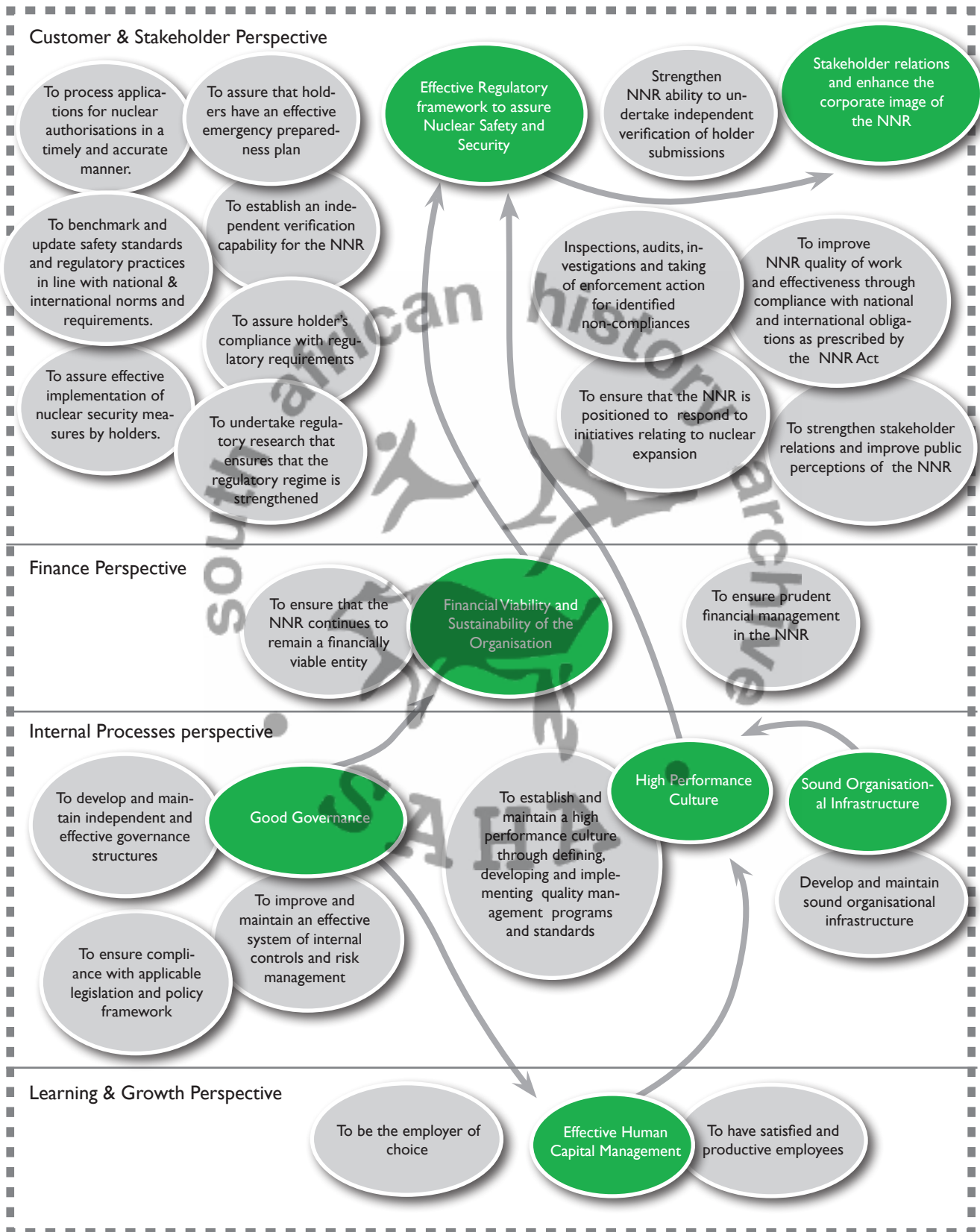
To provide and maintain an effective and efficient national regulatory framework for the protection of persons, property and the environment against nuclear damage.

VISION

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



It should be noted that it was not only the external situational analysis which was conducted in planning for the trajectory of the NNR for the next five years. Management also conducted an internal SWOT analysis in order to determine internal adequacies within the organisation to be able to fulfil its mandate.



PART B: OBJECTIVES, MEASURES, KEY PERFORMANCE INDICATORS AND TARGETS

CUSTOMER & STAKEHOLDER PERSPECTIVE

Goal 1: Effective regulatory framework to assure nuclear safety and security. Goal 2: Strengthen stakeholder relations and enhance the corporate image of the NNR.		CUSTOMER & STAKEHOLDERS SUMMARY OF MEASURES & KPIS	
MEASURE	KPI	WHAT DOES IT MEASURE?	TARGETS
CM1a: Quality of authorisations issued	CM1a: % Licenses issued in accordance with set standards and requirements	Quality	100% Authorisations issued in accordance with standards and regulations
CM1b: Level of responsiveness on various authorisations	CM1b: Number of days (turn around time (tat)	Responsiveness	Cor: 90 days; coe: 180 days; nvl: 180 days; <20% deviation on plan
CM2a: Quality compliance assurance activities conducted	CM2a: The quantity of activities conducted in the three broad categories of norm, ntwp & knps	Volume of work	341 (Kp 51; ntwp :76; norm: 214)
CM2b: Effectiveness of enforcement actions taken	CM2b: Zero/no repeat offences within 12 months of issuance of directive	Effectiveness & impact	0
CM2c: Level of compliance	CM2c: Improvement in compliance index to increase at the rate of 5% progressively for compliance levels determined at 95% or less	Effectiveness & impact	5% Increase from previous level
CM3: Percentage of corrective actions undertaken and validated	CM3: Extent to which holders have addressed issues raised by the nnr as per agreed schedule	Effectiveness	100% Corrective action per agreed schedule addressing recommendations in the nnr final report
CM4: Harmonised compliance assurance and enforcement program	CM4: Harmonised compliance assurance and enforcement program	Output	100% Development of program by q4 (11/12) implementation targets for next 5 years stipulated in actual page
CM5: Percentage completion of the nnr specific sat program of action relating to nuclear safety	CM5: % Implementation of the program of action	Quality & output	42% Of the implementation plan to be completed by q4 of 2011/12. Implementation targets for next 5 years stipulated in actual page

Goal 1: Effective Regulatory framework to assure Nuclear Safety and Security
Goal 2: Strengthen stakeholder relations and enhance the corporate image of the NNR

**CUSTOMER & STAKEHOLDERS
SUMMARY OF MEASURES & KPIS**

MEASURE	KPI	WHAT DOES IT MEASURE?	TARGETS
CM6: Implementation of the nuclear security strategy	CM6: % implementation of the strategy over stipulated period of time	Output	40% implementation of strategy by Q4. of 2011/12. implementation targets for next 5 years stipulated in actual page
CM7: Implementation of the key project milestones (for the establishment of independent analytical capability)	CM7: % completion of action plan	Output	25% of the action plan (i.e. commencement with refurbishment of laboratories implementation targets for next 5 years stipulated in actual page
CM8: Research plan of action; Relevant studies covering emerging areas for safety regulation	CM8: Number of approved Position Papers and Procedures	Output	Position papers on: Environment; Radon Dwellings; Depleted Uranium; Procedures for Radiological verification system and radiological site characterisation framework
CM 9: Plan of action covering pre-licensing issues related to nuclear expansion	CM9: Approved Position Papers in relation to nuclear expansions	Output	Recommendations from Position Paper (PP) on Manufacturing; Types of Nuclear Authorisations ; Workshop Draft PP with Eskom. All by Q4 2011.
CM10: Stakeholder perception index	CM10: (%) Level of improvement in stakeholder, (including public) perceptions of NNR	Impact & perception	60% level of Stakeholder positive perceptions of NNR
CM 11: New/needful and necessary improvement made to the NNR due to participation in various international forums	CM11: Number of implemented improvements	Quality & best practice learning	At least 1 improvement a year

Strategic Priority	Measure Owner	Measure Col-lator	Frequency of Reporting		
Effective Regulatory framework to assure nuclear safety and security	SM:SARA	Functional Coordinator	Quarterly This means that on quarterly basis there will be a performance update with regard to the two measures articulated herein i.e. CMIa: Quality of Authorisations Issued and CMIb: Level of responsiveness on various authorisations		
Strategic Program					
Regulate the safe operation of existing holders and prepare for applications related to nuclear expansion programme					
Objective	Measure	Unit of Measure/ KPI	Type of Measure	Measure Definition	
To process applications for nuclear authorisations in a timely and accurate manner.	CMIa: Quality of Authorisations Issued	CMIa: % Licenses issued in accordance with set standards and requirements	CMIa: Quality	CM Ia:The extent to which authorisations are issued in accordance set standards and regulations	
	CMIb: Level of responsiveness on various authorisations	CMIb: Number of days (Turn around time (TAT))	CMIb: Effectiveness & Efficiency		
	CMIb:The duration of time that it takes to issue authorisation for different categories of applications such as Certificates of Registration (CORs); Certificated of Exemption (COEs); Nuclear Vehicle Licencing (NVL); Nuclear Licencing (NL).				
Assumptions/ Notes	Initiatives/ Projects / Action plans		Who	When	Resources/ Budget
Authorisation holders and applicants have access to safety standards Holders have capacity to implement requirements NNR has internal capacity to achieve the TAT	1. Review and assess the authorisation applications and associated Safety cases (including the Dedicated Isotope Production Reactor (DIPR) project). 2. Review safety assessments and other safety case submissions related to authorised facilities 3. Assess and process the application for the Steam Generator Replacement (SGR) project for the Koeberg Plant.		SARA	As per plan/ milestone chart	As per approved budget
Measure Data Source	Review reports, review and assessment schedule; Approved authorisation requests.				

Baseline : CMIa: 100% authorisations issued in accordance with standards and regulations ; CMIb: same as targets below

Annual Targets	11/12	12/13	13/14	14/15	15/16	16/17
CMIa	100%	100%	100%	100%	100%	100%
CMIb	CoR:90 days; COE:180 days; NVL:180 days; <20% deviation on plan					

PART B: OBJECTIVES, MEASURES, KEY PERFORMANCE INDICATORS AND TARGETS

Strategic Priority	Measure Owner	Measure Collator	Frequency of Reporting		
Effective Regulatory framework to ensure safety at holder's facilities	SM:CAE	Chief Inspectors	Quarterly This means that on quarterly basis there will be a performance update with regard to the three measures articulated herein		
Strategic Program					
To implement compliance assurance programme that include inspections, audits, investigations and taking of enforcement action for identified non-compliances					
Objective	Measure	Unit of Measure/ KPI	Type of Measure	Measure Definition	
To assure holder's compliance with regulatory requirements	CM2a: Quality compliance assurance activities conducted	CM2a: The quantity of activities conducted in the three broad categories of NORM, NTWP & KNPS	CM2a: Effectiveness Measure	CM2a: Volume of inspections, audits and/or investigations conducted	
	CM2b: Effectiveness of enforcement actions taken	CM2b: Zero/No repeat offences within 12 months of issuance of directive	CM2b: Impact Measure	CM2b: The impact of the NNR in deterring non-compliance of holders.	
	CM2c: Level of compliance	CM2c: improvement in compliance index to increase at the rate of 5% progressively for compliance levels determined at 95% or less	CM2c: Effectiveness Measure	CM2c: Level of improvement in compliance over time	
Assumptions/ Notes	Initiatives/ Projects / Action plans		Who	When	Resources/ Budget
That holders and applicants are aware of regulatory requirements	Conduct inspections, audits, investigation and taking of enforcement action for identified non-compliance		CAE	As per plan/ milestone chart	As per approved budget
Measure Data Source	Integrated compliance index; Act, regulations, orders, directives, regulatory documents and compliance reports from holders, investigation reports, audit reports, conditions of authorisations in licence/COR				

Baseline: CM2a: 45 KNPS; 260 NORM; 202 NTWP - CM2b & CM2c: not yet established

Annual Targets	11/12	12/13	13/14	14/15	15/16	16/17
CM2a	341 (KP 51; NTWP :76; NORM: 214)					
CM2b	0	0	0	0	0	0
CM2c	N/A	N/A	5% improvement	5% improvement	5% improvement	5% improvement

Strategic Priority	Measure Owner	Measure Collator	Frequency of Reporting		
Ensure effective nuclear emergency plan	SM:CAE	Functional Coordinator	Quarterly This means that on quarterly basis there will be a performance update with regard to the KPI stipulated herein.		
Strategic Program					
Conduct regulatory emergency preparedness & response exercises					
Objective	Measure	Unit of Measure/ KPI	Type of Measure	Measure Definition	
To assure that holders have an effective emergency preparedness plan	CM3: Percentage of corrective actions undertaken and validated	Extent to which holders have addressed issues raised by the NNR as per agreed schedule	Effectiveness Measure	Corrective action that needs to be taken by holders post the emergency exercise as identified and recommended by the NNR.	
Assumptions/ Notes	Initiatives/ Projects / Action plans	Who	When	Resources/ Budget	
Operators have capacity to implement corrective measures identified by the NNR	1. Develop the plan for emergency exercise 2. Scenario development and logistics 3. Conduct regulatory nuclear emergency exercises 4. Produce Final report within 30 days of the exercise. 5. Follow up on implementation of corrective actions 6. Conduct inspections, audits, nuclear emergency exercises; investigation and implement enforcement action for identified non-compliance		As per plan/ milestone chart	As per approved budget	
Measure Data Source					
Emergency Plan; Previous Emergency Reports					

Baseline: not yet established

Annual Targets	11/12	12/13	13/14	14/15	15/16	16/17
CM3	100% Corrective action to be taken by holders as identified and recommended by the NNR.					

PART B: OBJECTIVES, MEASURES, KEY PERFORMANCE INDICATORS AND TARGETS

Strategic Priority	Measure Owner	Measure Collator	Frequency of Reporting		
Effective Regulatory framework for compliance assurance and enforcement ensure nuclear safety and to assure nuclear security	SM:CAE	Chief Inspectors (CI's)	Quarterly This means that on quarterly basis there will be a performance update with regard to the KPIs articulated herein		
Strategic Program					
To enhance effectiveness and consistency of compliance assurance activities					
Objective	Measure	Unit of Measure/ KPI	Type of Measure	Measure Definition	
To provide assurance of safety performance of holders through inspections, audits, investigation and taking of enforcement action for identified non-compliance	CM4: Harmonised compliance assurance and enforcement program	CM4: Policy document Workflow and process document	Output Measure	The delivery of a comprehensive compliance assurance program	
Assumptions/ Notes	Initiatives/ Projects / Action plans		Who	When	Resources/ Budget
None	1. Develop and implement a harmonised compliance assurance and enforcement program that is consistent, effective and efficient (harmonised compliance program)			As per plan/ milestone chart	As per approved budget
Measure Data Source	2. Enhance the effectiveness of the liaison forums between the NNR and operators (review existing forums, develop TOR of forums, composition, requirements etc.)				
Program Plan	3. Enhance and implement effective enforcement regime through the following means; <ul style="list-style-type: none"> Establishing cooperation with law enforcement agencies To develop & implement a dual deterrence / incentivising system to promote compliance culture To develop a compliance categorisation / indicator system Develop a compliance index Implement fine system 				

Baseline: not yet established

Annual Targets	11/12	12/13	13/14	14/15	15/16	16/17
CM4	100% development of program by Q4	60% implementation of program by Q4	80% implementation	100% implementation	TBA	TBA

Strategic Priority	Measure Owner	Measure Collator	Frequency of Reporting		
Effective Regulatory framework to assure nuclear safety and security	SM:SARA	SNP: Coordinator	Quarterly This means that on quarterly basis there will be a performance update with regard to the KPI/ measures articulated herein		
Strategic Program					
Develop and implement the regulatory programme					
Objective	Measure	Unit of Measure/ KPI	Type of Measure	Measure Definition	
To benchmark and update safety standards and regulatory practices in line with national & international norms and requirements.	CM5:Percentage completion of the NNR specific SAT program of action relating to nuclear safety	CM5: % implementation of the program of action	Output Measure	Completed milestones on the SAT program of action	
Assumptions/ Notes	Initiatives/ Projects / Action plans	Who	When	Resources/ Budget	
Availability of resources	Implementation of the NNR specific SAT plan.		As per plan/ milestone chart	As per approved budget	
Measure Data Source	<ul style="list-style-type: none"> Develop & review inspection manuals/procedures Inspector training programme review Strengthen regulatory control of radioactive sources Streamline National communication channels 				
SAT Action Plan Quarterly reports					

Baseline: not applicable

Annual Targets	11/12	12/13	13/14	14/15	15/16	16/17
CM5	42% of the implementation plan to be completed by Q4 of 2011/12	60%	80%	100%	TBA	TBA

PART B: OBJECTIVES, MEASURES, KEY PERFORMANCE INDICATORS AND TARGETS

Strategic Priority	Measure Owner	Measure Collator	Frequency of Reporting		
Effective Regulatory framework to assure nuclear safety and security	SM:SARA	Functional Coordinator	Quarterly This means that on quarterly basis there will be a performance update with regard to the KPIs articulated herein		
Strategic Program					
Develop and implement regulatory programme for regulation					
Objective	Measure	Unit of Measure/ KPI	Type of Measure	Measure Definition	
To assure effective implementation of nuclear security measures by holders.	CM6:Implementation of the nuclear security strategy	CM6:% implementation of the strategy over stipulated period of time	Output Measure	Fully deployed actions and milestones on the nuclear security program of action	
Assumptions/ Notes	Initiatives/ Projects / Action plans		Who	When	Resources/ Budget
NNR would make provision for more human resources (security specialists)	I. Develop and implement a nuclear security strategy <ul style="list-style-type: none"> • Deployment of national Nuclear Security during UN COP-17 conference. • Review of Position Paper 1117 		SARA CEA	As per plan/ milestone chart	As per approved budget
Measure Data Source					
The nuclear security strategy document; Nuclear Security Standards					

Baseline: not applicable

Annual Targets	11/12	12/13	13/14	14/15	15/16	16/17
CM6	40% implementation of strategy by Q4	55%	70%	85%	100%	TBA

Strategic Priority	Measure Owner	Measure Collator	Frequency of Reporting		
Strengthen independent analytical verification capability and capacity within the NNR	SM:SARA	SNP: Coordinator	Quarterly This means that on quarterly basis there will be a performance update with regard to the KPI/ measures articulated herein		
Strategic Program					
Strengthen independent analytical verification capability and capacity within the NNR					
Objective	Measure	Unit of Measure/ KPI	Type of Measure	Measure Definition	
To establish an independent verification capability for the NNR	CM7:Implementation of the key project milestones	CM7:% completion of action plan for nuclear verification capability	Output Measure	Completed milestones on the project plan	
Assumptions/ Notes	Initiatives/ Projects / Action plans	Who	When	Resources/ Budget	
That capacity and skills can be developed within project timeframes	1. Establish fully functional laboratory (Computer Codes). 2. Consultancy and training 3. Accreditation of methods 4. Develop and validate and analytical methods	SARA	As per plan/ milestone chart	As per approved budget	
Measure Data Source					
Laboratory Strategy, approved methods of analysis					

Baseline: not applicable

Annual Targets	11/12	12/13	13/14	14/15	15/16	16/17
CM 7	25% of the action plan (i.e. commencement with refurbishment of laboratories)	40%	60%	80%	100%	TBA

PART B: OBJECTIVES, MEASURES, KEY PERFORMANCE INDICATORS AND TARGETS

Strategic Priority	Measure Owner	Measure Col-lator	Frequency of Reporting		
Effective Regulatory frame-work to assure nuclear safety and security	SM:SARA	SNP: Coordina-tor	Quarterly This means that on quarterly basis there will be a performance update with regard to the KPIs articulated herein		
Strategic Program					
Enhance regulatory pro-grammes and apply safety focused research					
Objective	Measure	Unit of Mea-sure/ KPI	Type of Measure	Measure Definition	
To undertake regulatory research that ensures that the regulatory regime is strengthened	CM8:Research plan of action; Relevant studies covering emerg-ing areas for safety regulation	CM8:Number of approved Posi-tion Papers and Procedures	Output Measure	Position papers on: Environment; Randon Dwellings; Depleted Uranium; Procedures for Ra-diological verification system and radiologi-cal site characterisa-tion framework	
Assumptions/ Notes	Initiatives/ Projects / Action plans		Who	When	Resources/ Budget
This being an out put measure means that it will be replaced by other relevant measures to be determined in 12/13. This is due to the fact that the position papers in particular will contain recommenda-tions that are to be tabled for approval. This will assist in the articulation of any further measures and targets related to this research.	<ol style="list-style-type: none"> Develop and table position papers on <ul style="list-style-type: none"> Environmental protection Radon in Dwellings Depleted Uranium Develop and table procedures for <ul style="list-style-type: none"> Radiological verification system Radiological site characterisation framework Financial Liability <ul style="list-style-type: none"> Data acquisition Cost consequence analysis Position paper Updated regulation 			As per plan/ milestone chart	As per approved budget
Measure Data Source	Research plan of action				

Baseline: not applicable

Annual Targets	11/12	12/13	13/14	14/15	15/16	16/17
CM8:	5 (3 PPs ; 2 Procedures) please refer to Notes for further clarification					

Strategic Priority	Measure Owner	Measure Col-lator	Frequency of Reporting		
Effective Regulatory framework to assure nuclear safety and security	SM:SARA	SNP: Coordinator	Quarterly This means that on quarterly basis there will be a performance update with regard to the KPI/ measures articulated herein		
Strategic Program					
Regulate the safe operation of existing holders and prepare for applications related to nuclear expansion programme					
Objective	Measure	Unit of Measure/ KPI	Type of Measure	Measure Definition	
To ensure that the NNR is positioned to respond to initiatives relating to nuclear expansion	CM 9: Plan of action covering pre-licensing issues related to nuclear expansion	CM9:Approved Position Papers in relation to nuclear expansions	Out put Measure	Position papers on Nuclear installations; Manufacturing of components for Nuclear installations; EPTB with make recommendations with regard to NNR's capacity to respond to expansions amongst others.	
Assumptions/ Notes	Initiatives/ Projects / Action plans	Who	When	Resources/ Budget	
This being an out put measure means that it will be replaced by other relevant measures to be determined in 12/13.This is due to the fact that the position papers in particular will contain recommendations that are to be tabled for approval. This will assist in the articulation of any further measures and targets related to this research.	I. Develop and table position papers on <ul style="list-style-type: none"> Nuclear installations Manufacturing of components for Nuclear installations Emergency Plan Technical Basis (EPTB) External Events Public Participation and Information Document Digital Instrumentation and Control 	SARA	As per plan/ milestone chart	As per approved budget	
Measure Data Source	Research plan of action				

Baseline: not applicable

Annual Targets	11/12	12/13	13/14	14/15	15/16	16/17
CM9	Position Paper on Manufacturing; Types of Nuclear Authorisations ;Workshop Draft PP with Eskom					

PART B: OBJECTIVES, MEASURES, KEY PERFORMANCE INDICATORS AND TARGETS

Strategic Priority	Measure Owner	Measure Collator	Frequency of Reporting		
Build stakeholder trust & confidence	Manager: Communications & Stakeholder Relations (MCSR)	Manager: Communications & Stakeholder Relations (MCSR)	Quarterly This means that on quarterly basis there will be a performance update with regard to the KPIs articulated herein		
Strategic Program					
Communications & stakeholder engagement programme					
Objective	Measure	Unit of Measure/ KPI	Type of Measure	Measure Definition	
To strengthen stakeholder relations and improve public perceptions of the NNR	CM10:Stakeholder perception index	(%) Level of stakeholders satisfaction with NNR service delivery	Impact and perception measure	The extent to which the NNR is perceived positively by its stakeholders including the public	
Assumptions/ Notes	Initiatives/ Projects / Action plans		Who	When	Resources/ Budget
Nuclear expansion has highlighted NNR existence and public awareness on nuclear industry is on the increase	<ol style="list-style-type: none"> 1. Stakeholder engagement program (internal & external) 2. Corporate brand profiling programme 3. Issues & reputation management communications/projects 4. Implement general internal & external communications 5. Implement communications & stakeholder engagement policies 6. Conduct stakeholder surveys 		MCSR	As per plan/ milestone chart	As per approved budget
Measure Data Source					
Stakeholder surveys, questionnaires, and reports					

Baseline: 60% level of Stakeholder positive perceptions of NNR

Annual Targets	11/12	12/13	13/14	14/15	15/16	16/17
CM10	60% level of Stakeholder positive perceptions of NNR	60%	70%	74%	77%	80%

Strategic Priority	Measure Owner	Measure Collator	Frequency of Reporting		
Fulfil international obligations in terms of the various conventions over which the NNR has jurisdiction	CEO	Manager: Communications & Stakeholder Relations (MCSR)	Quarterly This means that on quarterly basis there will be a performance update with regard to the KPIs articulated herein		
Strategic Program					
International Relations Programme					
Objective	Measure	Unit of Measure/ KPI	Type of Measure	Measure Definition	
To improve NNR quality of work and effectiveness through compliance with national and international obligations as prescribed by the NNR Act	CM II: New/needful and necessary improvement(s) made to the NNR due to participation in various international forums / obligations	Number of implemented improvements	Quality & Best Practice Learning	The value addition to the NNR at any level as a direct result of participating in international forums and aligning/ complying with stated obligations. This improvement maybe in operations, governance or regulation as long as it has been determined to add value to NNR mandate.	
Assumptions/ Notes	Initiatives/ Projects / Action plans			When	Resources/ Budget
Post Fukushima nuclear event could bring about policy changes affecting nuclear safety regulation	<ol style="list-style-type: none"> 1. Participate at Safety Standards committees of the IAEA 2. Attend statutory / obligatory meetings 3. Attend technical meetings, forums, workshops & conferences 4. Bilateral relations programme 5. Participate at regulatory forums (FNRBA, etc) 6. Compile and submit national nuclear safety joint conventions reports 7. Organise and coordinate international regulatory workshops & events 8. Host international VIPs and fellows 		MCSR	As per plan/ milestone chart	As per approved budget
Measure Data Source					
Reports, organisational performance indicators					

Baseline: at least 1 approved improvement a year e.g. proposed amendments to the NNR Act

Annual Targets	11/12	12/13	13/14	14/15	15/16	16/17
CM II	at least 1 improvement a year	at least 1 improvement a year	at least 1 improvement a year	at least 1 improvement a year	at least 1 improvement a year	at least 1 improvement a year

PART B: OBJECTIVES, MEASURES, KEY PERFORMANCE INDICATORS AND TARGETS

FINANCIAL PERSPECTIVE

Goal 4: Ensure Financial Viability and Sustainability of the Organisation.

FINANCIAL SUMMARY OF MEASURES & KPIS

MEASURE	KPI	WHAT DOES IT MEASURE?	TARGETS
FM1 :Level funding/ cost strategic program	FM1: Ratio	Adequacy of funding	1:1
FM2:Variation from budget	FM2: % budget variation (either positive or negative)	Efficient use of funds	<5% i.e. less than 5% variation from budget



Strategic Priority	Measure Owner	Measure Collator	Frequency of Reporting		
Financial Viability and Sustainability	CFO	CFO	Quarterly This means that on quarterly basis there will be a performance update with regard to the KPIs articulated herein		
Strategic Program					
Financial administration					
Objective	Measure	Unit of Measure/ KPI	Type of Measure	Measure Definition	
To ensure that the NNR continues to remain a financially viable entity i.e. Adequate revenue to meet NNR strategic objectives	FMI :Level funding/ cost strategic program	FMI: Ratio	Efficiency Measure	To measure adequacy of the funding in relation to its ability to facilitate the successful implementation of the NNR strategy	
Assumptions/ Notes	Initiatives/ Projects / Action plans		Who	When	Resources/ Budget
Management will fully participate in practicing prudent financial management	<ol style="list-style-type: none"> 1. Develop a viable funding model by Q4 2011/12. 2. Implement procedures for effective and efficient financial management in accordance with action plan 3. Review formula for the calculation of authorisation fees 4. Review financial liability framework and verify the adequacy of the level of financial security as entailed in the NNR Act 5. Ensure adequate cash flow and liquidity of the NNR 		CFO	As per plan/ milestone chart	As per approved budget
Measure Data Source					
Budget, MTEF, Strategic Plan.					

Baseline: 0.8:1 Funding to cost ratio

Annual Targets	11/12	12/13	13/14	14/15	15/16	16/17
	1:1	1:1	1:1	1:1	1:1	1:1

PART B: OBJECTIVES, MEASURES, KEY PERFORMANCE INDICATORS AND TARGETS

Strategic Priority	Measure Owner	Measure Collator	Frequency of Reporting		
Financial Viability and Sustainability	CFO	CFO	Quarterly This means that on quarterly basis there will be a performance update with regard to the KPIs articulated herein		
Strategic Program					
Financial administration					
Objective	Measure	Unit of Measure/ KPI	Type of Measure	Measure Definition	
To ensure prudent financial management in the NNR i.e. Ensure that Strategic objectives are executed in accordance with allocated funds	FM2:Variation from budget	FM2: % budget variation (either positive or negative)	Efficiency Measure	The efficient use of the budget in delivering programs per department and at corporate level	
Assumptions/ Notes	Initiatives/ Projects / Action plans		Who	When	Resources/ Budget
Management will fully participate in practicing prudent financial management	1. Training management on financial requirements and management 2. Implement an ERP system / enhance current ACCPAC 3. To decentralise the financial monitoring system		CFO	As per plan/ milestone chart	As per approved budget
Measure Data Source	Budget, MTEF, Strategic Plan.				

Baseline: not established

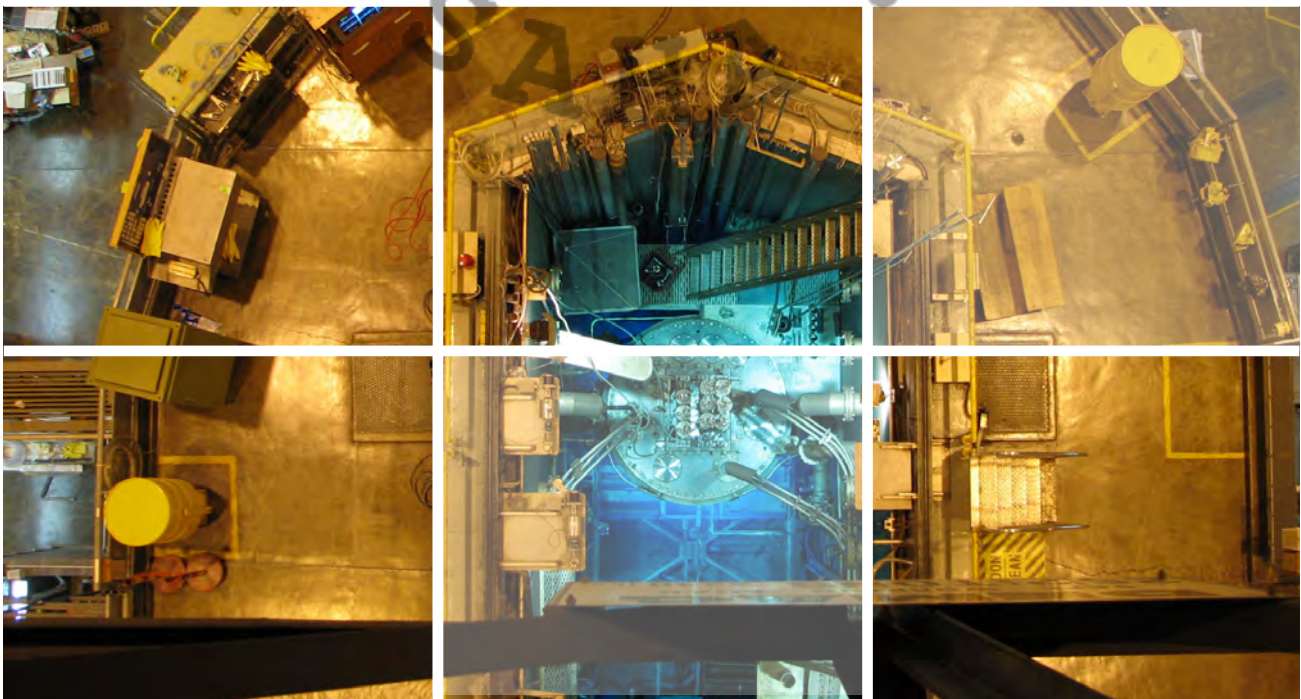
Annual Targets	11/12	12/13	13/14	14/15	15/16	16/17
	<5% i.e. less than 5% variation from budget	<5% i.e. less than 5% variation from budget	<5% i.e. less than 5% variation from budget	<5% i.e. less than 5% variation from budget	<5% i.e. less than 5% variation from budget	<5% i.e. less than 5% variation from budget

INTERNAL PROCESSES PERSPECTIVE

Goal 3: Create a High Performance Culture.
Goal 5: Develop and Maintain Sound Organisational Infrastructure.
Goal 6: Enhance Good Governance.

INTERNAL PROCESSES SUMMARY OF MEASURES & KPIS

MEASURE	KPI	WHAT DOES IT MEASURE?	TARGETS
PM1: Unqualified audit (external)	Rating (Qualified / unqualified)	Quality	Unqualified Audit Report;
PM2: Risk maturity level	Rating / level	Quality Measure	Level 2 risk maturity
PM3: Level of Effectiveness of the NNR Board	PM3: % performance of the Board	Effectiveness Measure	Annual Target: 80% level of Board Effectiveness
PM4: Infrastructure down time (TAT)	PM4: Length of time it takes to restore systems when there had been a breakdown / blackout/ shutdown i.e. Number of days	Efficiency & Effectiveness Measure	2 days down time (from the time of the system breakdown to the time they have been restored)
PM5a: Organisational Excellence Rating	PM5a: Rating in points and %	Quality	400 excellence points . (score for criterion part x factor = excellence level)
PM 5b: Level of Organisational performance	PM5b: % performance of the NNR Annual Plan implementation	Effectiveness	80% (4)



PART B: OBJECTIVES, MEASURES, KEY PERFORMANCE INDICATORS AND TARGETS

Strategic Priority	Measure Owner	Measure Collator	Frequency of Reporting		
Promote good governance	CFO	CFO	Quarterly This means that on quarterly basis there will be a performance update with regard to the KPIs articulated herein		
Strategic Program					
Institute and maintain a system of internal controls and risk management					
Objective	Measure	Unit of Measure/ KPI	Type of Measure	Measure Definition	
To improve and maintain an effective system of internal controls	PMI: Unqualified audit (external)	Rating (Qualified / unqualified)	Quality	Measure the soundness and effectiveness of the organisation's governance framework.	
Assumptions/ Notes	Initiatives/ Projects / Action plans		Who	When	Resources/ Budget
All departmental heads ensure compliance with policy frameworks such as SCM, DOA etc.	<ol style="list-style-type: none"> 1. Ongoing implementation of best practice management structures 2. Implement external audit process 3. Ensuring compliance with policy frameworks e.g. Supply Chain Management policy 4. Ensuring that AG's findings are addressed in time and that there are no repeat findings in the next audit. 		CEO CFO EXCO	As per plan/ milestone chart	As per approved budget
Measure Data Source					
AG's reports, internal audit reports, risk registers, National Treasury Guidelines					

Baseline: Unqualified Audit Report

Annual Targets	11/12	12/13	13/14	14/15	15/16	16/17
	Unqualified Audit Report;	Unqualified Audit Report;	Unqualified Audit Report;	Unqualified Audit Report;	Unqualified Audit Report;	Unqualified Audit Report;

Strategic Priority	Measure Owner	Measure Collator	Frequency of Reporting		
Promote good governance	CEO	RIA	Annually This means that on an annual basis there will be a performance update with regard to the KPI/ measure articulated herein		
Strategic Program					
Institute and maintain a system of internal controls and risk management					
Objective	Measure	Unit of Measure/ KPI	Type of Measure	Measure Definition	
To improve and maintain an effective system of internal controls and risk management	PM2:Risk maturity level	Rating / level	Quality Measure	Measures the extent to which the organisation's internal controls are robust to mitigate against risk	
Assumptions/ Notes	Initiatives/ Projects / Action plans		Who	When	Resources/ Budget
All departmental heads ensure compliance with policy frameworks	<ol style="list-style-type: none"> Ongoing implementation of best practice system of internal controls Implement Internal audit process Implement risk assessment and monitoring processes Ensuring that AG's findings are addressed in time and that there are no repeat findings in the next audit. 			As per plan/ milestone chart	As per approved budget
Measure Data Source					
AG's reports, internal audit reports, risk registers, National Treasury Guidelines					

Baseline: not established

Annual Targets	11/12	12/13	13/14	14/15	15/16	16/17
	Level 2 risk maturity	Level 3 risk maturity	Level 4 risk maturity	Level 4 risk maturity	Level 4 risk maturity	Level 4 risk maturity

PART B: OBJECTIVES, MEASURES, KEY PERFORMANCE INDICATORS AND TARGETS

Strategic Priority	Measure Owner	Measure Collator	Frequency of Reporting		
Promote Good Governance	CS	CS	Annually This means that on an annual basis there will be a performance update with regard to the KPI/ measure articulated herein		
Strategic Program					
Effective governance structures					
Objective	Measure	Unit of Measure/ KPI	Type of Measure	Measure Definition	
To develop and maintain independent and effective governance structures	PM3: Level of Effectiveness of the NNR Board	% performance of the Board	Effectiveness Measure	Measuring the effectiveness of the NNR Board in executing its oversight function	
Assumptions/ Notes	Initiatives/ Projects / Action plans		Who	When	Resources/ Budget
The Board of Directors of the NNR will self assess	<ol style="list-style-type: none"> 1. Induction & training of non executive directors by 30 September 2012 2. Board's Compliance monitoring (compliance check list) , Q3, 2011/12 3. Implementation of the board compliance index, Q4, 2011/12 4. Annual board evaluation , Q3, 2011/12 5. On going implementation and administration of the Board calendar of activities 6. Production of the Board evaluation report, Q3 2011/12 7. Effectiveness of Board Committees i.e. framework for decision making in place, Q3,2011/12 		CS	As per plan/ milestone chart	As per approved budget
Measure Data Source					
Board evaluation report; NNR Act; King III					

Baseline: not established

Annual Targets	11/12	12/13	13/14	14/15	15/16	16/17
	Annual Target: 80% level of Board Effectiveness	Annual Target: 80% level of Board Effectiveness	Annual Target: 80% level of Board Effectiveness	Annual Target: 80% level of Board Effectiveness	Annual Target: 80% level of Board Effectiveness	Annual Target: 80% level of Board Effectiveness

Strategic Priority	Measure Owner	Measure Collator	Frequency of Reporting		
Develop and maintain sound organizational infrastructure	IT Manager	IT Manager	Quarterly This means that on quarterly basis there will be a performance update with regard to the KPI/ measure articulated herein		
Strategic Program					
Maintain sound ICT infrastructure					
Objective	Measure	Unit of Measure/ KPI	Type of Measure	Measure Definition	
Develop and maintain sound organisational infrastructure	PM4:Infrastructure down time (TAT)	PM4:Length of time it takes i.e. Number of days	Efficiency & Effectiveness Measure	The extent to which systems and other infrastructure are unusable for the execution of NNR business	
Assumptions/ Notes	Initiatives/ Projects / Action plans		Who	When	Resources/ Budget
The down time is in relation to any type of infrastructure that can not be utilised for business operations	<ol style="list-style-type: none"> Maintain sound ICT infrastructure through implementing the IT Strategy <ul style="list-style-type: none"> 30% implementation of ICT strategy by Q2 50% implementation of ICT strategy annually Business continuity plan developed and implemented (fully automated business system) Developing and implementing the document management strategy (EDMS) Implementing a disaster recovery program (back up facility available to ensure no loss of data due to theft or destruction of computer equipment) Ensure development of sound infrastructure i.e. Library & resource centre; NNR cafeteria Develop and Implement Knowledge Management Strategy & systems 		IT	As per plan/ milestone chart	As per approved budget
Measure Data Source	System reports				

Baseline: 0 days down time

Annual Targets	11/12	12/13	13/14	14/15	15/16	16/17
	2 days down time	2 days down time	2 days down time	2 days down time	2 days down time	2 days down time

PART B: OBJECTIVES, MEASURES, KEY PERFORMANCE INDICATORS AND TARGETS

Strategic Priority	Measure Owner	Measure Collator	Frequency of Reporting		
High Performance Culture	Manager :Strategy & Organisation Performance (MSOP)	Manager :Strategy & Organisation Performance (MSOP)	Annually This means that on an annual basis there will be a performance update with regard to the KPI/ measure articulated herein		
Strategic Program					
High Performance Culture					
Objective	Measure	Unit of Measure/ KPI	Type of Measure	Measure Definition	
To establish and maintain a high performance culture through defining, developing and implementing quality management programs and standards	PM5a:Organisational Excellence Rating	Rating in points and % Based on the Business Excellence Quality Model	Quality	The extent to which the NNR practices best-practice organisational management standards.	
	PM 5b: Level of Organisational performance	% performance of the NNR Annual Plan implementation	Effectiveness	The annual level of achievement on the NNR balanced scorecard	
Assumptions/ Notes	Initiatives/ Projects / Action plans		Who	When	Resources/ Budget
The organisational excellence program will be adopted by the NNR. *The business excellence program is designed to ensure best practice implementation in organisation's management systems and processes. This is done so as to inculcate total quality management	<ol style="list-style-type: none"> 1. Establish internal service standards between departments 2. Implement the Organisational Excellence program 3. Corporate performance monitoring - Maintenance of the corporate performance dashboard 4. Cascade the corporate scorecard to operational plans 5. Develop quality standards 6. Implement a Quality Management System <ul style="list-style-type: none"> • Harmonisation of processes and standards 7. Automate the corporate dashboard (performance information on intranet) 8. Team Build & Strategy Planning Retreat for EXCO & Managers in Q4 9. Complete the setting up of the project management office (PMO) 		MSOP	As per plan/ milestone chart	As per approved budget
Measure Data Source					
Strategic plan, operational plans, working documents, performance reports					

Baseline: PM5a: 700 points level of excellence (international benchmark best practice) PM5b: 60% balanced scorecard achievement

Annual Targets	11/12	12/13	13/14	14/15	15/16	16/17
PM5 a	400 excellence points	600 excellence points	750 excellence points	800 excellence points	800 excellence points	900 excellence points
PM5b	80% (4)	80% or above (4)	80% or above (4)	80% or above (4)	80% or above (4)	80% or above (4)

Strategic Priority	Measure Owner	Measure Collator	Frequency of Reporting		
Promote Good governance	Legal Counsel (LC)	Legal Counsel	Quarterly This means that on quarterly basis there will be a performance update with regard to the KPI/ measure articulated herein		
Strategic Program					
Compliance with national legislation and policy					
Objective	Measure	Unit of Measure/ KPI	Type of Measure	Measure Definition	
To ensure compliance with applicable legislation and policy framework	PM6:Legislative compliance index	% Level of compliance with legislative requirements	Quality	The extent to which the NNR complies with legislative requirements as evidenced in all areas of operation	
Assumptions/ Notes	Initiatives/ Projects / Action plans		Who	When	Resources/ Budget
Awareness of all relevant legislation	1. Monitoring & scanning of the legislative environment and implementing as appropriate		LC	As per plan/ milestone chart	As per approved budget
Measure Data Source	2. Policy updates and reviews as appropriate				
Legislation, quarterly compliance reports, policies	3. Implement a system to prevent or detect non compliance with governance policies				
	4. Institutionalising corporate performance reporting and ensuring compliance with standard				

Baseline: 0 days down time

Annual Targets	11/12	12/13	13/14	14/15	15/16	16/17
	80% level of legislative compliance	80% level of legislative compliance	80% level of legislative compliance	80% level of legislative compliance	80% level of legislative compliance	80% level of legislative compliance

PART B: OBJECTIVES, MEASURES, KEY PERFORMANCE INDICATORS AND TARGETS

LEARNING & DEVELOPMENT

Goal 7: Ensure Effective Human Capital Management		LEARNING & GROWTH SUMMARY OF MEASURES & KPIS	
MEASURE	KPI	WHAT DOES IT MEASURE?	TARGETS
LM1:Employee satisfaction level	LM1:% of employee satisfaction	Effectiveness Perception measure	55% Employee satisfaction level
LM2:Average staff performance level	LM2: % Average employee performance level	Output and effectiveness measure	80% (4) Average employee performance level



Strategic Priority	Measure Owner	Measure Collator	Frequency of Reporting		
Appropriate deployment and management of talent and knowledge	SM: Corporate Services	SM: Corporate Services	Quarterly This means that on quarterly basis there will be a performance update with regard to the KPI/ measure articulated herein		
Strategic Program					
Effective Human Capital Management					
Objective	Measure	Unit of Measure/ KPI	Type of Measure	Measure Definition	
To have satisfied and productive employees	LMI:Employee satisfaction level	LMI:% of employee satisfaction	Effectiveness & Perception measure	The extent to which the employees perceive the organisation to be an employer of choice	
Assumptions/ Notes	Initiatives/ Projects / Action plans		Who	When	Resources/ Budget
There is a relevant HR strategy	1.Ensure HR governance by implementing relevant policies and ensure that recruitment processes are in line with recruitment policies 2.Implement talent management and succession planning program 3.Develop and implement employment equity plan(EE etc.) 4. Conduct a skills audit 5.Ensure training and development addresses skills set that match the organizational requirements and demographic profile by establish a training & development plan 6.Develop and implement the Employee Wellness program		HR	As per plan/ milestone chart	As per approved budget
Measure Data Source					
Survey results; Performance management system results; Performance contracts average performance results					

Baseline: not established

Annual Targets	11/12	12/13	13/14	14/15	15/16	16/17
Employee satisfaction level	55%	70%	75%	80%	85%	85%

PART B: OBJECTIVES, MEASURES, KEY PERFORMANCE INDICATORS AND TARGETS

Strategic Priority	Measure Owner	Measure Collator	Frequency of Reporting		
Appropriate deployment and management of talent and knowledge	SM: Corporate Services	SM: Corporate Services	Quarterly This means that on quarterly basis there will be a performance update with regard to the KPI/ measure articulated herein		
Strategic Program					
Effective Human Capital Management					
Objective	Measure	Unit of Measure/ KPI	Type of Measure	Measure Definition	
To be the employer of choice	LM2: Average staff performance level	80% (4) Average employee performance level	Output and effectiveness measure	The extent to which employees perform relative to the performance goals they had set for themselves	
Assumptions/ Notes	Initiatives/ Projects / Action plans		Who	When	Resources/ Budget
	1. Development and approval of the HR Strategy 2. Conduct the salary benchmark and job grading exercise 3. Implement an effective performance management system 4. Align corporate performance to individual performance 5. Implement automated HR management system (HR VIP System) 6. Review and develop HR suite of policies and procedures		HR	As per plan/ milestone chart	As per approved budget
Measure Data Source					
Survey results; Performance management system results; Performance contracts average performance results					

Baseline: not established

Annual Targets	11/12	12/13	13/14	14/15	15/16	16/17
	80% (4) Average employee performance level	80% (4) Average employee performance level	80% (4) Average employee performance level	80% (4) Average employee performance level	80% (4) Average employee performance level	80% (4) Average employee performance level

PART C: BUDGET FORECASTS

National Nuclear Regulator	2011/12 Published	2012/13	2013/14	2014/15	2012/13	2013/14	2014/15
REVENUE							
Non-tax Revenue	103 935	106 043	122 149	132 746			
Sale of goods and services other than capital assets of which:							
Admin fees	103 435	102 115	120 361	132 196	-1.3%	15%	9%
Sales by market establishment							
Other non-tax revenue	500	3 929	1 788	550	87%	-120%	-225%
Transfers received	14 238	43 260	34 452	36 558	67%	-26%	6%
Total revenue	118 173	149 304	156 601	169 303	23%	2%	8%
EXPENSES							
Current expenses	142 000	149 304	156 601	163 303			
Compensation of employees	103 752	105 644	111 982	122 200	1.8%	6%	8%
Goods and services	34 159	38 464	39 283	41 627	12.6%	2.1%	6%
Depreciation	4 089	5 183	5 323	5 463	27%	2.7%	5%
Interest, dividends and rent on land	-	12	13	13	100%	5%	5%
Acquisition of assets	12 050	12 950	2 135	2 857	7%	-506%	25%
Total expenses	154 050	149 304	156 601	169 303	0%	2%	6%
Surplus / (Deficit)	(35 877)	-	-	-			

NOTES

Revenue

The National Nuclear Regulator has two major revenue streams:

Transfers received from National Treasury and Authorisation fees. Other income in the form of interest earned is part of other non tax revenue .

The 2012/13 year sees an increase in the Government Grant as follows:

Government Grant	2011/12	2012/13
Regular	14 238 000	33 260 210
Special	21 192 000	10 000 000

The special grant for the 2011/12 was granted due to the unforeseen loss of income as a result of the closure of the PBMR facility. In the 2012/13 financial year, a special grant of R10million has been budgeted for in order to refurbish the Site office in Capetown.

Expenditure

As the NNR is a service organisation, compensation of employees remains the most significant expense. The NNR employs specialist in order for it to deliver on its mandate. The increase is also necessitated by additional resources that are required for the Steam Generator Replacement and New Nuclear Build Programmes .









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