

## COURT ONLINE COVER PAGE

IN THE HIGH COURT OF SOUTH AFRICA  
Gauteng Division, Pretoria

CASE NO: **2025-240916**

In the matter between:

**ORGANISATION UNDOING TAX ABUSE NPC** Plaintiff / Applicant / Appellant

and

**MINISTER OF HIGHER EDUCATION AND TRADING, MEMBERS OF THE INSETA ACCOUNTING AUTHORITY, DEPARTMENT OF HIGHER EDUCATION, INSURANCE SECTOR EDUCATION AND TRADING AUTHORITY, IGNATIA GUGU MKHIZE** Defendant / Respondent

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### Annexure 10

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**NOTE:** This document was filed electronically by the Registrar on 10/12/2025 at 5:32:45 AM South African Standard Time (SAST). The time and date the document was filed by the party is presented on the header of each page of this document.



ELECTRONICALLY SIGNED BY:

**Registrar of High Court of South  
Africa , Gauteng Division,Pretoria**

"FA10.4"

## REPORT OF THE AUDITOR-GENERAL TO PARLIAMENT ON THE INSURANCE SECTOR EDUCATION AND TRAINING AUTHORITY

Report on the audit of the financial statements

### Qualified opinion

1. I have audited the financial statements of the Insurance Sector Education and Training Authority set out on pages 99 to 157, which comprise the statement of financial position as at 31 March 2025, statement of financial performance, statement of changes in net assets, the cash flow statement and statement of comparison of budget and actual amounts for the year then ended 31 March 2025, as well as notes to the financial statements, including a summary of significant accounting policies.
2. In my opinion, except for the effects of the matters described in the basis of qualified opinion section of this auditor's report, the financial statements present fairly in all material respects, the financial position of the Insurance Sector Education and Training Authority as at 31 March 2025 and its financial performance and cash flows for the year then ended in accordance with the Standards of Generally Recognised Accounting Practice (GRAP) and the requirements of the Public Finance Management Act 1 of 1999 (PFMA) and the Skills Development Act 97 of 1998 (SDA).

### Basis for qualified opinion

#### Discretionary grants

3. Project expenditure was not accounted for in accordance with the requirements of GRAP 1 *Presentation of Financial Statements*, as transactions were recorded in

the incorrect financial period. Consequently, the project expenditure disclosed in note 21 to the financial statements was overstated by R24 408 000 (2023-24: R83 729 000) and the payables from non-exchange transactions were also overstated by the same amounts in the respective periods. This also had an impact on the surplus for the period and on the accumulated surplus.

4. In addition, I was unable to obtain sufficient appropriate audit evidence for the restatement of the corresponding figures for discretionary grants and payables from non-exchange transactions. As described in note 29 to the financial statements, the restatement was made to rectify a prior year misstatement. However, the supporting schedule did not agree to the amounts disclosed as correction of errors. I was unable to confirm the restatement by alternative means. Consequently, I was unable to determine whether any adjustment was necessary to the corresponding figures of the discretionary grants and payables from non-exchange transactions stated at R457 512 000 and R243 413 000, respectively, in the financial statements.

### Context for opinion

5. I conducted my audit in accordance with the International Standards on Auditing (ISAs). My responsibilities under those standards are further described in the responsibilities of the auditor-general for the audit of the financial statements section of my report.
6. I am independent of the public entity in accordance with the International Ethics Standards Board for Accountants' International Code of Ethics for Professional Accountants (including International Independence Standards) (IESBA code) as well as other ethical requirements that are

relevant to my audit in South Africa. I have fulfilled my other ethical responsibilities in accordance with these requirements and the IESBA code.

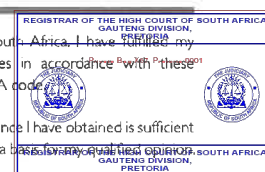
7. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my qualified opinion.

### Responsibilities of the accounting authority for the financial statements

8. The accounting authority is responsible for the preparation and fair presentation of the financial statements in accordance with the GRAP and the requirements of the PFMA and SDA 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.
9. In preparing the financial statements, the accounting authority is responsible for assessing the public entity's ability to continue as a going concern; disclosing, as applicable, matters relating to going concern; and using the going concern basis of accounting unless the appropriate governance structure either intends to liquidate the public entity or to cease operations, or has no realistic alternative but to do so.

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

10. 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.

11. A further description of my responsibilities for the audit of the financial statements is included in the annexure to this auditor's report. This description, which is located at page 96, forms part of my auditor's report.

#### Report on the audit of the annual performance report

12. In accordance with the Public Audit Act 25 of 2004 (PAA) and the general notice issued in terms thereof, I must audit and report on the usefulness and reliability of the reported performance against predetermined objectives for the selected programmes presented in the annual performance report. The accounting authority is responsible for the preparation of the annual performance report.
13. I selected the following programmes presented in the annual performance report for the year ended 31 March 2025 for auditing. I selected programmes that measure the public entity's performance on its primary mandated functions and that are of significant national, community or public interest.

Programmes	Page numbers	Purpose
Programme 2 – 18 skills planning		To promote the relevance of the support provided by the Insurance Sector Education and Training Authority through the implementation of innovative and impactful programmes

Programmes	Page numbers	Purpose
Programme 3 – learning programmes	19-22	To contribute to the achievement of the National Skills Development Plan five-year implementation plan

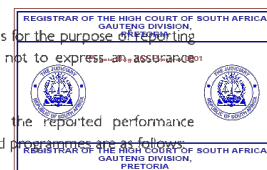
14. I evaluated the reported performance information for the selected programmes against the criteria developed from the performance management and reporting framework, as defined in the general notice. When an annual performance report is prepared using these criteria, it provides useful and reliable information and insights to users on the public entity's planning and delivery on its mandate and objectives.

15. I performed procedures to test whether:
- the indicators used for planning and reporting on performance can be linked directly to the public entity's mandate and the achievement of its planned objectives
  - all the indicators relevant for measuring the public entity's performance against its primary mandated and prioritised functions and planned objectives are included
  - the indicators are well defined to ensure that they are easy to understand and can be applied consistently, as well as verifiable so that I can confirm the methods and processes to be used for measuring achievements
  - the targets can be linked directly to the achievement of the indicators and are specific, time bound and measurable to ensure that it is easy to understand what should be delivered and by when, the required level of performance as well as how performance will be evaluated
  - the indicators and targets reported on in the annual performance report are the same as those committed to in the approved initial or revised planning documents
  - the reported performance information is presented in the annual performance report in the prescribed manner and is comparable and understandable
  - there is adequate supporting evidence for the

achievements reported and for the reasons provided for any over- or underachievement of targets / measures taken to improve performance.

16. I performed the procedures for the purpose of reporting material findings only; and not to express an assurance opinion or conclusion.

17. The material findings on the reported performance information for the selected programmes are as follows:



#### Programme 3 – learning programmes

##### Various indicators

18. Overachievements were reported against the related planned targets, together with the reasons for this. However, adequate supporting evidence was not provided for auditing. Consequently, I could not confirm the reliability of the reported reasons.

Indicator	Target	Reported achievement	Reported reason
Number of unemployed learners enrolled for internships	900	987	Target exceeded due to several industry-funded programmes that were implemented by the sector as well as structured stakeholder engagements.
Number of workers enrolled in learnership programmes	950	1 050	Target exceeded due to increased employer participation in the industry-funded learnership programme.

### Various Indicators

19. I could not determine the accuracy of various reported achievements, as the indicators were not well defined and I could not verify the methods and processes used to measure the achievements. Consequently, the reported achievements might be more or less than reported and were not reliable for determining if the targets have been achieved.

Indicator	Target	Reported achievement
Number of unemployed learners completed learnerships programmes	640	663
Number of workers completed learnerships programmes	630	633

### Number of unemployed learners completed candidacy programmes

20. The indicator was not clearly defined during the planning process. There is an inconsistency between the indicator's name and its description – the name refers to learners completing candidacy programmes, whereas the definition and calculation method pertain to unemployed youth completing skills programmes. Consequently, the indicator is not useful for measuring and reporting progress against the planned objectives.

### Missing indicators

21. The SDA defines the legislative mandate of the public entity. However, various indicators to measure performance on the mandate were omitted from the approved planning documents. Consequently, the achievement of these key mandates was not planned or accounted for, which is likely to result in it not being delivered and undermines transparency and accountability for delivery on the mandated responsibilities.

### Indicator Reasons provided by accounting authority for non-inclusion

Number of universities of technology students requiring WIL provided with workplaces	The indicator from the National Skills Development Plan (NSDP) should have been included in the Service Level Agreement (SLA) before included in the approved planning document. The responsibility for ensuring that relevant indicators are incorporated into the SLA rests with the Department of Higher Education and Training (DHET).
Number of technical and vocational education and training lecturers exposed to workplaces	The indicator from NSDP should have been included in the SLA before included in the approved planning document. The responsibility for ensuring that relevant indicators are incorporated into the SLA rests with the DHET.
Number of small businesses funded for skills that enhance growth and development	The indicator was not included in the Annual Performance Plan due to an oversight during the planning and review process.

### Other matter

22. I draw attention to the matters below.

### Achievement of planned targets

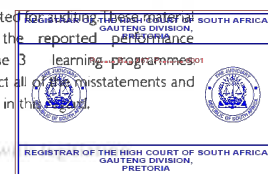
23. The annual performance report includes information on reported achievements against planned targets and provides explanations for over achievements. This information should be considered in the context of the material findings on the reported performance information.

### Material misstatements

24. I identified material misstatements in the annual performance report submitted for auditing. These material misstatements were in the reported performance information for programme 3 – learning programmes. Management did not correct all of the misstatements and I reported material findings in the report.

### Report on compliance with

25. In accordance with the PAA and the general notice issued in terms thereof, I must audit and report on compliance with applicable legislation relating to financial matters, financial management and other related matters. The accounting authority is responsible for the public entity's compliance with legislation.
26. I performed procedures to test compliance with selected requirements in key legislation in accordance with the findings engagement methodology of the Auditor-General of South Africa (AGSA). This engagement is not an assurance engagement. Accordingly, I do not express an assurance opinion or conclusion.
27. Through an established AGSA process, I selected requirements in key legislation for compliance testing that are relevant to the financial and performance management of the public entity, clear to allow consistent measurement and evaluation, while also sufficiently detailed and readily available to report in an understandable manner. The selected legislative requirements are included in the annexure to this auditor's report.
28. The material findings on compliance with the selected legislative requirements, presented per compliance theme, are as follows:



## Annual Financial Statements

29. The financial statements submitted for auditing were not prepared in accordance with the prescribed financial reporting framework, as required by section 55(1) (b) of the PFMA.
30. Material misstatements of the statement of cash flows, contingent liabilities and discretionary projects identified by the auditors in the submitted financial statements were corrected and the supporting records were provided, but the uncorrected material misstatements resulted in the financial statements receiving a qualified opinion.

## Other information in the annual report

31. The accounting authority is responsible for the other 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 on in this auditor's report.
32. My opinion on the financial statements and my report on the audit of the annual performance report and compliance with legislation do not cover the other information included in the annual report and I do not express an audit opinion or any form of assurance conclusion on it.
33. My responsibility is to read this other information and, in

doing so, consider whether it 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.

34. I did not receive the other information prior to the date of this auditor's report. When I do receive and read this information, if I conclude that there is a material misstatement therein, I am required to communicate the matter to those charged with governance and request that the other information be corrected. If the other information is not corrected, I may have to retract this auditor's report and re-issue an amended report as appropriate. However, if it is corrected this will not be necessary.

## Internal control deficiencies

35. I considered internal control relevant to my audit of the financial statements, annual performance report and compliance with applicable legislation; however, my objective was not to express any form of assurance on it.
36. The matters reported below are limited to the significant internal control deficiencies that resulted in the basis for the qualified opinion, the material findings on the annual performance report and the material finding on compliance with legislation included in this report.

37. The accounting authority did not implement adequate oversight over financial and performance information, compliance with legislation and related internal controls, as misstatements were identified in the financial statements and the annual performance report.

38. Management did not ensure that the financial statements were adequately reviewed and supported by complete and accurate supporting schedules, resulting in material misstatements being identified during the audit.



*Auditor-General*

Pretoria  
09 August 2025



### Annexure to the auditor's report

#### The annexure includes the following:

- The auditor-general's responsibility for the audit
- The selected legislative requirements for compliance testing

### Auditor-general's responsibility for the audit

#### Professional judgement and professional scepticism

As part of an audit in accordance with the International Standards on Auditing, I exercise professional judgement and maintain professional scepticism throughout my audit of the financial statements and the procedures performed on reported performance information for selected programmes and on the public entity's compliance with selected requirements in key legislation.

#### Financial statements

In addition to my responsibility for the audit of the financial statements as described in this 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
- conclude on the appropriateness of the 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 relating to events or conditions that may cast significant doubt on the ability of the public entity 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 my opinion on the financial statements. My conclusions are based on the information available to me at the date of this auditor's report. However, future events or conditions may cause the public entity to cease operating as a going concern

- evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and determine whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

#### Communication with those charged with governance

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.

I also provide the accounting authority with a statement that I have complied with relevant ethical requirements regarding independence and communicate with them all relationships and other matters that may reasonably be thought to bear on my independence and, where applicable, actions taken to eliminate threats or safeguards applied.



#### Compliance with legislation – selected legislative requirements

The selected legislative requirements are as follows:

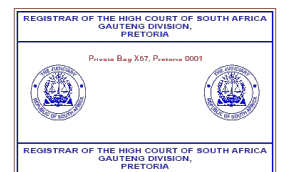
Legislation	Sections, paragraphs or regulations
Public Finance Management Act of 1999	Section 51(1)(b)(i); 51(1)(b)(ii); 51(1)(e)(iii) Section 53(4) Section 54(2)(c); 54(2)(d) Section 55(1)(a); 55(1)(b); 55(1)(c)(i) Section 56 Section 57(b) Section 66(3)(c); 66(5)
Treasury Regulations, 2005	Regulation 16A3.2; 16A3.2(a) Regulation 16A6.1; 16A6.2(a); 16A6.2(b); 16A6.3(a); 16A6.3(b); 16A6.3(c); 16A6.3(e); 16A6.4; 16A6.5; 16A6.6 Regulation 16A7.1; 16A7.3; 16A7.6 Regulation 16A8.3; 16A8.4 Regulation 16A9.1(b)(ii); 16A9.1(d); 16A9.1(e); 16A9.1(f); 16A9.2; 16A9.2(a)(ii) Regulation 30.1.1; 30.1.3(a); 30.1.3(b); 30.1.3(d); 30.2.1 Regulation 31.1.2(c); 31.2.1; 31.2.5; 31.2.7(a); 31.3.3 Regulation 32.1.1(a); 32.1.1(b); 32.1.1(c) Regulation 33.1.1; 33.1.3



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Legislation	Sections, paragraphs or regulations
Construction Industry Development Board Act 38 of 2000	Section 18(1)
Construction Industry Development Board Regulations, 2004	Regulation 17 Regulation 25(7A)
National Treasury Instruction No. 5 of 2020/21	Paragraph 4.8; 4.9
Second Amendment National Treasury Instruction No. 5 of 2020/21	Paragraph 5.3
Erratum National Treasury Instruction No. 5 of 2020/21	Paragraph 1
National Treasury Instruction No. 1 of 2021/22	Paragraph 2
National Treasury Instruction No. 4 of 2015/16	Paragraph 4.1
National Treasury Supply Chain Management (SCM) Instruction No. 4A of 2016/17	Paragraph 3.4
National Treasury SCM Instruction No. 3 of 2021/22	Paragraph 6
National Treasury SCM Instruction No. 11 of 2020/21	Paragraph 4.1; 4.2(b); 4.3; 4.4; 4.4(a); 4.17
National Treasury SCM Instruction No. 2 of 2021/22	Paragraph 7.2; 7.6
National Treasury Practice Note 5 of 2009/10	Paragraph 3.4(a); 3.4(b); 3.9
National Treasury Practice Note 7 of 2009/10	Paragraph 3.2.1; 3.2.4; 3.2.4(a); 3.3.1
Preferential Procurement Policy Framework Act 5 of 2000	Paragraph 3.3
Preferential Procurement Regulations, 2022	Paragraph 4.1.2
	Section 1
	Section 2.1(a); 2.1(f)
	Regulation 4.1; 4.2; 4.3; 4.4
	Regulation 5.1; 5.2; 5.3; 5.4

Legislation	Sections, paragraphs or regulations
Preferential Procurement Regulations, 2017	Regulation 4.1; 4.2 Regulation 5.1; 5.3; 5.6; 5.7 Regulation 6.1; 6.2; 6.3; 6.6; 6.8 Regulation 7.1; 7.2; 7.3; 7.6; 7.8 Regulation 8.2; 8.5 Regulation 9.1 Regulation 10.1; 10.2 Regulation 11.1; 11.2 Section 34(1)
Prevention and Combating of Corrupt Activities Act 12 of 2004	



The following supplementary information does not form part of the annual financial statements and is unaudited: Annexure A: Commitment Register

## ACCOUNTING AUTHORITY'S RESPONSIBILITIES AND APPROVAL

The members are required by the Public Finance Management Act (Act 1 of 1999), to maintain adequate accounting records and are responsible for the contents and integrity of the annual financial statements and related financial information included in this report. It is the responsibility of the members to ensure that the annual financial statements fairly present the state of affairs of the entity as at the end of the financial year and the results of its operations and cash flows for the year ended 31 March 2025.

The annual financial statements have been prepared in accordance with Standards of Generally Recognised Accounting Practice (GRAP) including any interpretations, guidelines and directives issued by the Accounting Standards Board.

The annual financial statements are based upon appropriate accounting policies consistently applied and supported by reasonable and prudent judgments and estimates.

The members acknowledge that they are ultimately responsible for the system of internal financial control established by the entity and place considerable importance on maintaining a strong internal control environment. To enable the members to meet these responsibilities, the members set standards for internal control aimed at reducing the risk of error or deficit in a cost effective manner. The standards include the proper delegation of responsibilities within a clearly defined framework, effective accounting procedures and adequate segregation of duties to ensure an acceptable level of risk. These controls are monitored throughout the entity and all employees are required to maintain the highest ethical standards in ensuring that the entity's business is conducted in a manner that in all reasonable circumstances is above reproach. The focus of risk management in the entity is on identifying, assessing, managing and monitoring all known forms of risk across the entity. While operating risks cannot be fully eliminated, the entity endeavours to minimise it by ensuring that appropriate infrastructure, controls, systems and ethical behaviour are applied and managed within predetermined procedures and constraints.

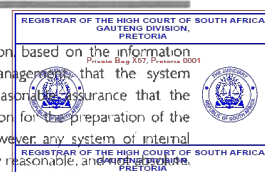
The members are of the opinion based on the information and explanations given by management that the system of internal control provides reasonable assurance that the financial records may be relied on for the preparation of the annual financial statements. However, any system of internal financial control can provide only reasonable, and not absolute, assurance against material misstatement or deficit.

The annual financial statements are prepared on the basis that the entity is a going concern and that the entity has neither the intention nor the need to liquidate or curtail materially the scale of the entity.

The annual financial statements set out on pages 5-68, which have been prepared on the going concern basis, were approved by the Chief Executive Officer, as the appointed Accounting Authority on 31 May 2025 and signed by:

**Ms. Gugu Mkhize**

Accounting Authority



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