# Internship Guidelines for Unemployed Youth

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<tr>
<th>Status:</th>
<th>Approved</th>
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<tr>
<td>Custodian:</td>
<td>Learning Division Manager</td>
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<tr>
<td>Approved:</td>
<td>Chief Executive Officer</td>
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## Acronyms

<table>
<thead>
<tr>
<th>Acronym</th>
<th>Description</th>
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<tbody>
<tr>
<td>ATR</td>
<td>Annual Training Report</td>
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<tr>
<td>FET</td>
<td>Further Education and Training</td>
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<tr>
<td>INSETA</td>
<td>Insurance Sector of Education Training Authority</td>
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<td>NSDS</td>
<td>National Skills Development Strategy</td>
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<td>PIVOTAL</td>
<td>Professional, vocational, technical and academic learning programmes</td>
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<td>QCTO</td>
<td>Quality Council for Trades and Occupations</td>
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<tr>
<td>SDA</td>
<td>Skills development Act</td>
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<td>SDL</td>
<td>Skills Development Levies Act</td>
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<td>SETA</td>
<td>Sector Education and Training Authorities</td>
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<td>SSP</td>
<td>Sector Skills Plan</td>
</tr>
<tr>
<td>TVET</td>
<td>Technical and Vocational Education and Training Colleges</td>
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<tr>
<td>WIL</td>
<td>Work Integrated Learning</td>
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<td>WSP</td>
<td>Work Skills Plan</td>
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1. Preamble

The Insurance Sector Education Training Authority (INSETA’s) purpose is to grow the pool and quality of scarce and critical skills in the insurance and related services sector, enhancing the sector and supporting the country’s transformation.

The Skills Development Act and the Skills Development Levies Act provide for the collection of levies from employers in the insurance and related services sector and provides directives and/or guidelines on how the funds allocated to each SETA should be disbursed.

The INSETA Learning Division has therefore drafted a formal Internship Guideline for Unemployed Youth between the ages of 18 and 35 years to outline the process and requirements for applying for internships.

This guideline document should be used for reference, understanding and preparation by all applicants for internship funding.

2. Grant Regulations

On 3 December 2012, revised Grant Regulations were gazetted, which impacted on the allocation of SETA funding. The intent of the new regulation is to, amongst others: (adapted from Government Gazette no. 34932):

- Regulate the proportion of funds available for skills development that is spent on administration costs
- Regulate the proportion of discretionary funds available for skills development
- Improve the quantity and quality of labour market information received by SETAs through Workplace Skills Plans (WSP), Annual Training Reports (ATR) and PIVOTAL Training Reports, which provide a reflection of skills needs and inform planning.
- Promote PIVOTAL programs, which are NQF-registered and quality assured, towards addressing priority scarce and critical skills needs in the sector, as identified through Sector Skills Plans (SSP’s) and research.

1 According to regulations, “PIVOTAL” is an acronym which means professional, vocational, technical and academic learning programmes that result in qualifications or part qualifications on the NQF as contemplated in regulation 3(6) and (7) as read with regulation 6(11) to (15) (taken from Government Gazette No. 35940).
In response, the INSETA drafted a reviewed Discretionary Grant Funding Policy that was approved by the INSETA Board on 12 March 2014 and the following revisions are effective from 01 April 2013:

- The discretionary project expenditure increases from 20% to 49.5%
- 80% of Discretionary funding has to be allocated to PIVOTAL programmes.

3. Discretionary Funds

The Discretionary funds allocation allows the INSETA to exercise discretion in relation to how discretionary grants are utilised towards implementation of the sector skills plan and strategic objectives. The priority focus is on meeting the scarce and critical skills needs of the sector and closing the gap between labour market needs and skills supply.

INSETA will be guided by the following national priorities in the allocation of its discretionary funds:

National strategic goals as set out in the NSDS III, the INSETA strategic plan and annual performance plan and other national priorities as relevant.

Disbursement of discretionary grant funding aims to:

- Address the scarce and critical skills needs of the sector as identified through the SSP and other relevant research
- Focus on PIVOTAL programmes that meet the essential needs of the labour market
- Encourage structured practical and work integrated learning within programmes as a priority and ensure that mechanisms are put in place for monitoring workplace learning; and

4. Internships

INSETA will support the development of work experience through Internships of unemployed youth with a view to:

- Addressing the scarce and critical skills as identified in the SSP
- Promoting the developmental and transformational imperatives of NSDS III
Increasing the professionalism of the sector

5. Application windows

Internship funding will only be allocated through application windows opened at the discretion of INSETA.

No applications will be considered outside of application window time-frames as prescribed by INSETA.

Application windows will be announced via the INSETA website. The INSETA call-centre and other mechanisms of communication may be used at the discretion of INSETA.

6. Internship funding

6.1 Eligibility for funding

Employers:

- INSETA will support levy-paying and non-levy paying employers (confirmed as uniquely registered with INSETA) operating in the Insurance and related services sector
- INSETA will only support employers who have submitted the WSP/ATR and PIVOTAL reports as required
- Employers found to be non-compliant in past implementation of INSETA funded programmes will not be considered for funding unless evidence of remediation to the satisfaction of INSETA can be produced
- In the event of non-performance by any party funded by INSETA in terms of the learning programme all further funding will be withheld until an investigation is completed

Interns:

- Interns must be South African citizens
- Interns must be unemployed and between the ages of 18 and 35 years
- An interns may not be on more than one INSETA funded programme within a 12 month period

- Interns that previously exited an INSETA-funded programme prior to completion will not be considered unless special representation has been made by the employer. Approvals are at the discretion of INSETA

- Interns are subject to the terms and conditions of the contract of employment entered into with the employer and the performance requirements of the internship programme.

6.2 Funding Amount

<table>
<thead>
<tr>
<th>Discretionary Grant breakdown</th>
<th>Stipend</th>
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<tbody>
<tr>
<td>Interns with matric plus qualification</td>
<td>4 500</td>
</tr>
<tr>
<td>Interns with degree</td>
<td>6 500</td>
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Please note that any funding not utilised for the purposes allocated must be refunded.

7. Duration

Internship programmes will run for 3, 6 or 12 consecutive months and will require submission of prescribed documentation at commencement, midway and closure for purposes of payment processing.

For 3 month internships, no replacement of interns is permitted

For 6 month internships, no replacement of interns is permitted after 1 month of commencing programme

For 12 month internships, no replacement of interns is permitted after 2 months of commencing programme

8. INSETA Intern Grant Approval

Application process:

Employers are required to apply in the prescribed manner, during the open application window as communicated by INSETA.

Applications must be made separately per region and according to commencement period.
Recommendations and approvals will be considered against the registration status of the company with INSETA, previous implementation of INSETA funded programmes, the size of the applicant company, the available infrastructure and support for learner, budget availability as well as the submission of statutory reporting required by INSETA (WSP and ATR).

The following principles will inform approval:

- Funding for interns will not exceed the number of permanent staff members. Where applications are in excess, the additional number will be approved at INSETA discretion.

- Employers must have identified mentors with relevant experience in the work place and in relation to developing people, in order to qualify for internship funding.

- Employers must adhere to a ratio of 1 mentor to every 3 interns, however, this does not guarantee that a minimum of 3 interns will be allocated.

- First time applicants will be approved initially as pilot projects, with a conservative number of interns. Increased roll out will be considered going forward.

- Site visits will be conducted at INSETA's discretion, but site visit is required prior to approval of all new applications.

- Any employer who is intending on placing interns at secondary sites, must inform INSETA who will then ensure that the secondary site is pre-approved prior to approval and placement.
  - Secondary sites must be in the business of insurance or related services (according to the standard industry classification –SIC-codes).
  - Site visits will be conducted to pre-approve secondary sites.
  - Secondary site arrangements must be subject to formal agreement between the lead employer and the secondary employer. This agreement must be made available on request.

At application the following is required:

- Letter of support (on letterhead and signed) indicating the contact details of the authorised signatory for contracting purpose.
- Proof of company banking details, either a cancelled cheque or letter from the bank confirming banking details (indicating that the name of the business is}
the same on the Bank statement/cancelled cheque as the one on the company invoice)

- Programme layout indicating the broad areas of work experience
- Letter from auditor/ accountant indicating financial stability

Approval Process:

- INSETA commits to a 60 working day turnaround time from close of funding window to approve, reject or query an Internship Grant Application.
- Where INSETA has a query and requests outstanding documents, these must be provided within 5 working days failing which the application will be declined and returned to the applicant.
- Upon completion of evaluation, INSETA will advise the applicant on approval or rejection in writing.
- INSETA will allocate a unique Internship Work-experience Grant Allocation (IWGA) number for all internships approved and this will be provided to the applicant company on a formal, signed allocation letter for reference purpose.
- Only once such approval is in place, can INSETA communicate the approval to the applicant company and only then may the company commence the internship programme.

10. Commencement of Internship

Once the recommendation letter indicating IWGA has been received, the employer will be expected to recruit and contract with unemployed youth according to the criteria set out in these guidelines.

Prior to commencing with the internship, the following must be submitted in accordance with the recommendation letter:

- An electronic list of interns applied for Completed fixed term contract of employment between candidate and employer
- Certified copy of qualifications (not older than 3 months)
- Certified ID copy for all interns applied for (not older than 3 months)

Once the required documentation has been received and evaluated, INSETA will issue the employer with a final allocation agreement which sets out the terms and
conditions of the allocation. This agreement must be signed by the authorised signatory and returned to INSETA.

11. Payment of Internship Funds to the Employer

In terms of payments INSETA will make a maximum of three tranche payments. INSETA will request an invoice\(^2\) for the first tranche payment, as a percentage of the allocation amount stipulated in the final allocation agreement.

Invoice to include:

- Full name “TO WHO” the invoice is issued i.e. INSETA
- Full INSETA POSTAL address: P.O. Box 32035, Braamfontein, 2017
- VAT Number: INSETA N/A
- REGISTRATION Number: 13/INSETA/1/04/11
- Invoice number – ensure there is no duplication to any previously issued invoice sent to INSETA
- Invoice date must be current date i.e. not prior or post-dated

I. Payment will not be made unless INSETA has given prior approval in writing to the applicants approving the internship.

II. No person or entity is entitled to commit INSETA financially or otherwise outside of this guideline, unless they have received INSETA authorisation in writing.

III. The employer will be responsible to refund INSETA in full, all associated internship payments made and not used for the purposes allocated.

IV. Where an intern on a funded programme resigns from his / her employment, he is entitled to continue with the already funded programme as long as he/she remain in the employ of a registered INSETA employer who is willing

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\(^2\) Kindly note that payments will not be processed until all required documents are received evaluated and approved. Employers should ensure that they are able to sustain the internship for at least 3 months from the date of final approval by INSETA.
to enter into contractual agreement with INSETA for the remainder of the programme.

V. INSETA will not be responsible to pay any interns who employer companies have sourced without INSETA authorisation.

The following documents must be submitted after commencement of the internship

- Progress report per IWGA number at 1.5, 3 or 6 months in line with the approved internship duration
- Proof of stipend payments at 1.5, 3 or 6 months in line with the approved internship duration
- Closure report per IWGA number at 3, 6 or 12 months in line with the approved internship duration
- Proof of remaining months stipend payments 3, 6 or 12 months in line with the approved internship duration
- Termination report to be submitted as and when interns terminate

11. Roles and Responsibilities

Employers

- It is expected that the employer provides holistic work experience for approved interns in accordance with the internship programme layout for the employee. The employer is required to provide a logbook for the internship programme and support the intern in completing and signing same, confirming exposure as aligned to the intended programme.
- It is expected that the employer provides appropriate and responsible mentorship for the duration of the internship
- Employers must provide the intern with a copy of the fully signed contract of employment at commencement of the internship and payslips for the duration of the internship
- Employers must pay the intern a minimum of the agreed stipend as prescribed by the INSETA Discretionary Grant Policy at the agreed monthly date regardless of whether INSETA has disbursed allocated funding or not
- No deductions may be made from the stipend other than for legislative requirements such as UIF. Unauthorised deductions include but are not
limited to, any study loans or premium payments that learners are obliged to take up and pay to the employer by virtue of their learnership placement.

- Any allegation of impropriety in respect of the internship will be investigated and may lead to the suspension or withdrawal of internship funding.
- Any allegation of non-exposure or abuse of certain work functions (eg. Prospecting) will be investigated and may lead to the withdrawal of internship funding and reallocation of the intern.
- Employers are responsible to inform INSETA of any change in status that may impact the internship (this includes resignation of intern and any other status that may adversely affect the financial commitment).

Interns

- Interns are required to abide by the HR policies and procedures of the workplace
- Interns are required to commit fully to the opportunity provided to gain work experience
- Interns are required to complete their logbooks and submit for confirmation and signature by their appointed mentor

INSETA

INSETA reserves the right to relocate interns to another willing employer where it is found, upon investigation, that the interns are not deriving the maximum benefit intended from the internship programme.

12. Dispute Resolution

Should any dispute arise from any application made in terms of this policy, the parties will attempt to resolve the dispute in good faith through senior-level negotiations. If the dispute is not resolved through negotiation or mediation within a reasonable time the matter will be escalated to the INSETA Board.

13. Review

This guideline will be reviewed annually or as required.