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INSURANCE SECTOR EDUCATION
AND TRAINING AUTHORITY

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Internship Guidelines for Unemployed Youth

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Approved:	Chief Operations Officer 
Decision Date:	03/09/2021
Review Date:	03/09/2022
Version Number:	LD/GL002/2021

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Acronyms

INSETA Insurance Sector of Education Training Authority

SETA Sector Education and Training Authority

NSDP National Skills Development Plan

WSP Workplace Skills Plan

ATR Annual Training Plan

PIVOTAL Professional, Vocational Technical and Academic Learning Programme

NQF National Qualification Framework

SSP Sector Skills Plan

APP Annual Performance Plan

SDA Skills Development Act

SDL Skills Development Levies

TVET Technical, Vocational Education and Training Colleges

IWGA Internship Work-experience Grant Allocation

1. Preamble

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 grant.

This guideline document should be used for reference and preparation for implementation of internship programmes by all applicants intending to implement internships.

2. Grant Regulations

On 3 December 2012, revised Grant Regulations were gazetted, which impacted on the allocation of SETA funding. In line with the Grant Regulations, the INSETA reviewed Discretionary Grant Policy to regulate the funding and implementation of learning 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.

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 and youth skills development
- ❖ 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
- ❖ Ensuring that mechanisms are put in place for monitoring workplace learning

4. Internships

An internship is a recognised and structured workplace exposure program for graduates that wish to gain on-the-job workplace experience.

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 NSDP.
- ❖ Increasing the professionalism of the sector

5. Application windows

Internship approval and funding allocation will only be allocated through application during the DG 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 or any other mechanisms of communication (i.e. media adverts, direct emails, notices) at the discretion of INSETA, subject to availability of funding.

6. Internship funding

- ❖ Internship funding for interns who have matric or equivalent plus a 1-year post school qualification
- ❖ Internship funding for interns who have a 3 year diploma, degree and a post graduate qualification

6.1 Eligibility for funding

6.1.1 Employers' eligibility is outlined in the INSETA DG policy and complies with the prescripts of the Discretionary Grant Guidelines

- ❖ In the event of non-performance by any host employer funded by INSETA in terms of internship programme, all further funding will be withheld until an investigation is completed
- ❖ Employers are required to sign a contract and return it to INSETA before any funding will be paid to employer.

- ❖ Employers found to be non-compliant in past implementation of INSETA-funded learning programmes will not be considered for funding unless evidence of remediation to the satisfaction of INSETA can be produced.

6.1.2 Learners' eligibility as beneficiaries of INSETA-Funded Internships is outlined in the INSETA DG policy.

- ❖ Interns must be South African citizens that possess a recognised qualification (matric or equivalent plus a minimum one-year post school qualification that might include a Diploma or Degree)
- ❖ Interns must be unemployed and between the ages of 18 and 35 years
- ❖ An intern may not be on more than one INSETA-funded programme at the same time, unless it is an INSETA-initiated programme to promote employability of learners.
- ❖ 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

Discretionary Grant breakdown	
Category	Stipend
Interns with matric or equivalent plus a 1-year post school qualification	4 500
Interns with national diploma or degree	6 500

*** Please note that any funding not utilised for the purposes allocated must be paid back to INSETA**

7. Programme Duration and leave

- ❖ 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 and therefore inversely, NO terminations are permitted.
- ❖ For 6-month internships, no replacement of interns is permitted after 1 month of commencing programme and inversely terminations after 1-month will affect the funding allocated.
- ❖ For 12 month internships, no replacement of interns is permitted after 2 months of commencing programme and inversely terminations after 2 months will affect the funding allocated.

- ❖ For the internship programme, the employer will be required to submit the prescribed documentation at commencement, midway and closure
- ❖ Any leave (including maternity leave) that is requested by the intern during the course of the programme must be considered according to the host employer policies that must be aligned to the Basic Conditions of Employment Act (BCEA).
- ❖ In the case of maternity leave, no intern may return to work within 6 weeks after the birth of her child unless a medical practitioner or midwife certifies that she is fit to do so.
- ❖ The employer must inform INSETA in writing as soon as maternity leave is requested in order for INSETA to extend the internship programme for that intern. No stipend will be paid for the period of maternity leave.

Terminations

In the event that a intern terminates the programme prior to completion the following must be noted;

- ❖ a termination report must be submitted in a prescribed template within 14 calendar days of the official termination, signed by intern and host employer.
- ❖ no further stipends will be paid for the learner and refunds will be processed where applicable

8. INSETA Internship Grant Approval

8.1 Application Process:

Employers are required to apply in the prescribed manner as specified in the advert/notice, during the open DG 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 applicants' eligibility criteria outlined in the INSETA DG policy, including the following:

1. previous implementation of INSETA funded programmes
2. the size of the applicant company
3. the available infrastructure and support for learners
4. budget availability as well as
5. compliance with the DG Guidelines and INSETA DG policy

The following principles will inform approval:

- ❖ Funding for learners will not exceed the number of permanent staff members.
- ❖ Employers must have identified mentors with relevant experience in the workplace to support the learners

- ❖ Employers must adhere to a ratio of 1 mentor to every 3 learners however, for small employers, this does not guarantee that a minimum of 3 learners will be allocated.
- ❖ First time applicants will be approved initially with a conservative number of learners allocated. Increased numbers may be considered for subsequent applications
- ❖ Prior to approval of DG funding applied for, site visits will be conducted at INSETA's discretion for new applicants and for the companies that have not participated in the previous two financial years.
- ❖ Any employer who intends placing learners at secondary sites, must inform INSETA. The latter will then evaluate the secondary site 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)
 - Secondary site arrangements must be subject to formal agreement between the lead employer and the secondary employer. This agreement must be made submitted to INSETA on application.

8.2 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 10 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. This reference number will be provided to the applicant company on a formal, signed recommendation letter for reference purpose.
- ❖ Applicant company may commence with the internship programme only after receipt of the written approval by INSETA.

9. Commencement of Internship

Once the recommendation letter indicating IWGA has been received, the employer will be expected to recruit and contract with interns 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 intern and employer
- ❖ Workplace Based Learner Agreement completed in full
- ❖ POPI Act Declaration Form
- ❖ Certified copy of qualifications (not older than 3 months)
- ❖ Certified ID copy for all interns applied for (not older than 3 months)
- ❖ Certified copy of a Marriage certificate where a learner's surname is NOT identical with that on the ID copy due to change of a maiden surname

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 within 10 calendar days.

11. Payment of Internship Funds to the Employer

In terms of payments INSETA will make a maximum of three tranche payments.

- ❖ For large employers, payment will be made in two tranches 70% on commencement and 30% on completion of the programme
- ❖ For small and new companies, payment will be made in three tranches 70% on commencement, 30%-1month stipend on midterm and 1 month stipend on completion of the programme

INSETA will request an invoice¹ for the first tranche payment, as a percentage of the allocation amount stipulated in the final allocation agreement.

- ❖ Payment will not be made unless INSETA has given prior approval in writing to the applicants approving the internship.
- ❖ No person or entity is entitled to commit INSETA financially or otherwise outside of this guideline, unless they have received INSETA authorisation in writing.
- ❖ The employer will be responsible to refund INSETA in full for all associated internship payments made and not used for the purposes allocated.

¹ 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

- ❖ Where an intern on an INSETA-funded Internship resigns from his/her host employer, he/she is entitled to continue with the already funded programme, as long as they remain in the employ of a registered INSETA employer who is willing to enter into contractual agreement with INSETA for the remainder of the internship programme.
- ❖ INSETA will not be responsible to pay any interns whom the host employer companies have sourced without INSETA authorisation.

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
- ❖ IWGA number as provided by INSETA for the internship in question
- ❖ Invoice date must be current date i.e. not prior or post-dated
- ❖ Proof of banking details

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 within 14 days from the date of termination.

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

Learners are subject to the terms and conditions of the contract of the internship entered into with the employer and the performance requirements of the learnership programme

- ❖ 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 h

13. Review

This guideline will be reviewed annually or as required