



**THE MUNICIPAL FINANCE
MANAGEMENT INTERNSHIP POLICY**

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List of Abbreviations

CFO Chief Financial Officer

CHE Council on Higher Education

ETP Education and Training Provider

GTZ German Technical Cooperation

HEQC Higher Education Quality Assurance Committee

IIT Internship Implementation Team

IP Implementation Plan

IPFA Institute of Public Finance and Auditors

LGWSETA Local Government and Water Sector Education and
Training Authority

MFMA Municipal Finance Management Act

MFMIP Municipal Finance Management Internship Programme

MFMRP Municipal Finance Management Reform Programme

MM Municipal Manager

PDP Personal Development Plan

PPE Professional Portfolio of Evidence

NT National Treasury

SAQA South Africa Qualifications Authority

SETA Sector Education and Training Authority

TC Training Coordinator

1. INTRODUCTION

It has become apparent to the National Treasury that an effective implementation of the municipal financial management reforms at the local government level is being hampered by a lack of sufficient and relevant management capacity in a significant number of municipalities participating in the Municipal Finance Management Reform Programme (MFMRP).

Given that this situation is not likely to improve, especially with the imminent implementation of the Municipal Finance Management Act, which comes into effect on 01 July 2004, the National Treasury has introduced, in those municipalities participating in the MFMRP, an internship programme that seeks to help build sufficient strategic management capacity at the local government level.

While the Municipal Finance Management Internship Programme (MFMIIP) is aimed at assisting municipalities to increase their capacity to implement both the municipal finance management reforms and the MFMA, it is also envisaged that it will help address the acute shortage of strategic management in the local government sphere.

The MFMIIP is meant to complement various support mechanisms such as programme material (draft policies, legislation, uniform norms and standards) financial assistance (FMG) and technical assistance (international advisors) that National Treasury is providing pilot municipalities with for purposes of implementing the reforms and the MFMA.

The MFMIIP is designed to provide interns (finance, accounting or economics graduates preferably recruited from previously disadvantaged backgrounds) with a logical training sequence founded on the knowledge competencies they acquired at the universities or technicons they graduated from.

It is envisaged that through workplace interaction with and mentoring by chief finance officers, municipal managers and/or international advisors, the interns will benefit from the expertise and experience of these officials.

2. RESPONSIBILITIES OF MUNICIPALITY AND INTERNS

Depending on its human resource capabilities, the municipality should consider appointing a suitable and dedicated person within its existing staff complement to act as the programme's training coordinator.

The on-the-job training to which the interns will be exposed needs to be properly coordinated if the objectives of the programme are to be achieved within the duration of the internship. In addition, it is recommended that:

- a) Cederberg municipality carefully identify the skills gaps of each of its interns;
- b) Plan its training activities to address those skills gaps;

These can be drawn from a list of accredited ETPs compiled by the Council on Higher Education (CHE) or the Local Government and Water Sector Education and Training Authority (LGWSETA)

- c) Identify and appoint a mentor from within its ranks;
- D) Selected accredited education and training providers;
- e) Provide, on an on-going basis, on-the-job and formal but practical training; and
- f) Constantly monitor the progress of the interns.

3. TRAINING PHILOSOPHY

Since the primary training method is experiential (i.e. service delivery in direct contact with service recipients), the municipal finance management interns' service delivery tasks and duties are twofold: oriented towards learning and adding value through a tangible contribution to the operations of Cederberg municipality.

Experiential training focuses on training for a practical workplace and should be sequential, cumulative and graded in complexity.

The proposed training philosophy requires that in the process of learning new skills the interns also be required to demonstrate that they are capable of applying what they learn in a tangible "value-added" way.

Owing to the fact that the MFMIP is a capacity-building initiative, special projects or research projects are considered to be an appropriate way to add value.

If well administered and managed, such projects would be challenging for the interns, provide management with an opportunity to evaluate their contribution and capabilities and provide something of value that other staff at the municipality would be unlikely to do (owing to a lack of time or skill sets).

It is not recommended, under the “tangible contribution” component, that interns perform routine process-oriented functions that are normally covered by full-time employees.

Education and training objectives should be specified in terms of the competencies expected of the interns.

These competencies should be consistent with the substantive area(s) of municipal finance, economics, general management, human resources management, information technology and relevant national legislation.

Furthermore, Cederberg are encouraged to:

(a) place interns in settings that are clearly committed to the achievement of training objectives, (b) supervise interns using an adequate number of appropriate professionals (as assessors, mentors and training coordinators) and (c) provide a wide range of training, educational and work experiences.

Developments in information technology have transformed the work of financial managers. Computers pervade financial management practice.

In planning their training, the internship implementation team should bear in mind that interns will be making careers in which information technology is the norm.

It follows that computer literacy must be acquired as part of the main training areas of municipal finance management.

The internship programme requires that training be spread evenly over the term of the contract.

The training coordinator of the programme may have to discourage any attempts by interns to obtain experience in the various identified training areas at the same time and over a training period of less than 24 months.

4. MANAGEMENT OF THE INTERNSHIP PROGRAMME

Cederberg Municipality will be required to have a well-documented structure for managing the programme, which should be coordinated by the chief financial officer.

Duties of Management:

- Facilitate the planning, preparation and implementation of the internship
- Compile a budget for the internship
- Develop a communication strategy with all stakeholders
- Establish an administration system to support the internship
- Liaise with coordinators of other municipalities involved in the programme
- Establish criteria for mentor selection
- Establish criteria for intern selection
- Coordinate the identification and selection of interns, mentors and assessors
- Coordinate the selection of assessors accredited by the relevant sector education and training authority to assess interns
- Coordinate on-the-job and off-the-job structured learning
- Liaise with education and training provider(s).
- Monitor progress on an ongoing basis

5. DUTIES OF TRAINING COORDINATOR(S)

A municipal official required to assume the responsibilities of a training coordinator will be expected to –

- Act as a point of liaison between the municipality and the NT in matters pertaining to interns;
- familiarise him or her with internship guidelines and advise the municipality in this regard, as required;
- act on behalf of municipalities in all contractual documents relating to these guidelines;
- keep the management of the municipality and interns informed of all changes affecting internship;
- ensure that the interns employed by the municipality have access to all the relevant training regulations;
- establish that prospective interns possess the necessary qualifications to enter into internship contracts;

- submit to the NT evidence of progress made by interns under their internship contract;
- keep suitable records of the training experience of all interns under their control;
- plan the training programme of interns;
- inform the NT of any breaches of conditions of the internship;
- inform the NT of an intern's involvement in criminal or civil litigation of such a nature that it will affect the intern's training; and
- provide such information as the NT may require in the arbitration of a dispute between the employing municipality and an intern.

6. PERSONAL DEVELOPMENT PLAN

Personal development plans (PDP) should be prepared for interns, with inputs from the municipal manager (MM) and chief financial officer (CFO) and assistance from the international advisor (if available), soon after the initial orientation session. Personal development plans serve as road maps for developing interns so that they acquire the knowledge, skills and abilities to perform at the rank of a municipal financial officer. The PDP is prepared by each intern with the assistance of the training coordinator and approved by the internship implementation team.

The PDP should be used to identify the knowledge, skills and abilities needed by the intern to perform at managerial level in a particular department. It should also identify assignments to be given to the intern during his or her internship in a given department. Other matters that should be included in the PDP are formal training courses required and on-the-job training and the person (s) who will provide this training.

The PDP serves as the basis of the intern's performance plan and will therefore serve as a key results document if one is needed to manage the relationship between the municipality and the intern.

Supervisors may incorporate the PDP into the performance plan and add performance criteria to complete this plan. Elements not covered by the PDP, if appropriate to the job, may be added to the performance plan.

7. MENTOR

Interns will be required to identify mentors. The chief financial officer, in consultation with the municipal manager, is expected to assist interns to identify their mentors. In the context of this policy, a mentor is deemed to be a Senior Manager. It is recommended that a mentor be someone who is an expert in the field of accounting, economics, planning or finance.

The mentor-intern relationship requires special attention and care to ensure that all the parties involved meet expectations and undergo a fulfilling and rewarding professional experience.

Although he or she may wear many hats, the mentor's distinguishing characteristic is a commitment to the intern's professional and personal development.

As a motivator, the mentor can encourage the interns to accept challenges they might otherwise shy away from. Consciously or unconsciously, good mentors know that it is far more important to empower than to teach. The mentor can serve as a networking resource, guiding the intern toward opportunities. While not an expert on everything, the mentor can help identify the correct source for information. A more detail outline of the role of a mentor is given in Annexure E. (see NT guidelines)

8. SUPERVISORS' RESPONSIBILITIES

The municipality must identify someone to be responsible for the day-to-day management of the intern, including recommending disciplinary action. This supervisor should ideally be located in the budget and treasury office.

Supervisors may perform some of the following duties:

- Familiarise themselves with the governing requirements related to the internship programme.
- Meet regularly with the intern to review and discuss the intern's training progress and career goals.
- If the intern is having difficulty in obtaining experience in certain areas, suggest additional training and supplementary educational activities that may be helpful.
- Recognise the ethical responsibilities inherent in the mentor-intern relationship.

- Be available as needed to provide assistance, advice and support.
- Listen attentively and respond empathetically to questions and concerns raised by the intern.
- Be receptive to feedback and new ideas.
- Refrain from supervising or mentoring a relative.

9. SUPERVISOR MONITORING

In the weekly meetings with the intern to review, assess and evaluate the intern's experience, the supervisor will review the following:

- The work done by the intern since the last review.
- The role of the intern.
- Steps that can be taken by the intern to address deficiencies in the practical training process.
- Examples of work executed by the intern.
- Internship-related problems experienced, and possible solutions.
- The extent to which the goals and objectives established in earlier meetings have been fulfilled.
- Career-related issues.

10. EDUCATION AND TRAINING PROVIDER

Cederberg municipality will be required to identify an education and training provider (ETP) from the list of accredited (registered) higher education institutions (HEIs) to act as an education and training provider (ETP) for the internship programme. This list is obtainable from the Council on Higher Education (CHE), which evaluates and accredits all HEIs in South Africa.

The ETP, in cooperation with the internship implementation team, will be used to present the theoretical part of the internship programme and control the academic assessment of the internship. The ETP selected will present courses at the municipality, where possible, or on its own premises.

The ETP will advise the internship implementation team regarding the processes to be followed to ensure quality presentation of the courses and will issue the qualification certificate jointly with the professional certification body. A record management system

must be maintained by the ETP and relevant records must be made available to the relevant municipality.

11. PROFESSIONAL PORTFOLIO OF EVIDENCE

- Interns are required to develop a portfolio of internship experience. The professional portfolio of evidence is to document internship experience for later use by interns to complete a final self- evaluation,
- a form of exit interview, of skills acquired through their involvement with the MFMIP. A copy of this evaluation will be presented to the National Treasury.
- Interns will be required to have their own portfolio of evidence, which can be shown to the assessors by the interns to prove their competence in certain areas of the internship.
- Guidelines regarding the preparation of the professional portfolio of evidence are shown in Annexures C and D. (NT guidelines MFMIP website)

12. PRIORITY TRAINING AREAS

The following are recommended priority training areas that the municipality must consider in its endeavour to formulate a training action plan for an intern serving on the MFMIP:

1. Strategic leadership and management (including people management)
2. Strategic and operational financial management
3. Financial and performance reporting
4. Governance, professional ethics and values
5. Auditing and accountability
6. Partnership and stakeholder relations
7. Change, risk and project management
8. Procurement and contract management

The above areas and the related broad outcomes are highlighted in Annexures F and G. The exact internship activities carried out by an intern are bound to reflect skills identified in the personal development plan and unit standards registered by SAQA.

In order to achieve the outcomes attributable to the priority training areas identified above, an intern will have to spend a certain period of time on each specific item, which must be related to the intern's personal development plan and to registered unit

standards. In the context of an intern's PDP, the internship implementation team must determine the approximate duration of training for each area.

By definition, outcomes used in an internship programme of this nature refer to contextually demonstrated end products of a training process. The internship requires both critical and specific outcomes. Specific outcomes are end products of a training process specific to the intern's occupation and field of training. They thus refer to what the intern will be able to do/know/understand at the end of the internship programme.

The outcomes for the priority training areas listed above are interdependent. Obviously, an intern gaining experience in any one area will have valuable interaction with others. It is envisaged that this work-based career-oriented training will be obtained through in-house training and formal education.

It is imperative that existing interns complete the MFMIP and obtain a recognised qualification.

13. TRAINING RECORDS

The training coordinator should keep a record of an intern's practical training experience from the date of the intern's first appointment. The record of practical training experience should be kept in a suitable form to enable evaluation of recorded work-based skills.

An intern who fails to participate in the completion of relevant training records contravenes an important requirement of the internship contract. Records such as a daily log of work done by an intern, assessments carried out by the ETP and assessments done by a work-based assessor are some of the important training records that should be kept.

14. EVALUATION OF INTERNS

Cederberg Municipality are responsible for evaluating the interns every 6 months.

During the work period, interns must be provided with the necessary feedback on work done as per their daily logbook. Interns should also be given written feedback, within seven days of completing a relevant work assignment, by the head of the relevant department (or the supervisor assigned to the intern) on the extent to which they are

meeting the programme's requirements and performance expectations. Such feedback should include –

- a) Written notification of progress and related problems (if any) that have been noted and the opportunity to discuss them;
- b) Guidance regarding steps to remedy all problems (if remediable); and
- c) Substantive written feedback on the extent to which corrective actions are or are not successful in addressing the issues of concern.

For purposes of evaluation, interns are expected to be competent in all the priority training areas. Interns are considered competent if they are capable of executing tasks without supervision.

15. Selection of interns

Cederberg should select at least two interns, maximum 5, who should be holders of a three-year bachelor's degree or national diploma with major concentrations in economics, accounting or finance. Intern selection will normally be in line with employment equity requirements and must be done through the internship implementation team. Interns will be required to sign an internship agreement, in addition to an employment contract, committing themselves to full participation in the educational and workplace assignments in accordance with laid-down policies and procedures.

A sample agreement is shown in Annexure A. (NT guidelines on MFMIP)

Selected interns should, by interest, aptitude and previous achievements, demonstrate their readiness for the programme's strategic goals and objectives. In addition, they are expected to reflect, through their intellectual and professional development, an intended career path in line with the programme's strategic goals, objectives and philosophy.

16. Employment contract

The employment contract will be subject to all existing labour and skills development legislation and should cover the following matters:

16.1. Position

- a) A brief description of the position of a municipal finance management intern.
- b) Reference to the internship contract, stating that it shall prevail in the event of a conflict with the provisions of the employment contract.
- c) The employee's duties with reference to the internship contract.

16.2. Term of contract

- a) A clause stipulating that it covers the same term as the internship contract.
- b) A clause stipulating that termination of the employment contract could coincide with the termination of the internship contract.
- c) A clause stipulating extension of the internship period.
- d) A probationary period before or concurrent with the internship contract.

16.3. Remuneration and compensation

- a) Rate or scale of remuneration.
- b) Increment dates.
- c) Pay day, mode of payment.
- d) Allowances – travelling, parking, subsistence, use of own vehicle, housing, study, entertainment.
- e) Incentives such as study leave.
- f) Overtime remuneration, bearing in mind relevant labour legislation.
- g) Medical aid fund, clearly indicating contributions by employer and employee.
- h) Retirement fund contributions by employer and employee.
- i) Deductions from salary.
- j) Relocation expenses.
- k) Costs of attending courses, seminars and continuing professional development workshops.

16.4. Hours of work, overtime

- a) Standard hours of work, lunch breaks, etc.
- b) Requirements for working overtime as per relevant labour legislation.

16.5. Leave Arrangements

- a) Rate of vacation leave.
- b) Restrictions, if any, on time of year that leave may be taken.
- c) Rate of sick leave, obligations to submit medical certificate.

- d) Other leave such as compassionate, study, examination, religious day and unpaid leave. It is recommended that interns on maternity leave be paid at least fifty per cent of their basic pay and should forfeit annual normal leave days.
- e) Conditions relating to accumulation of leave.
- f) Annual closing of offices – charged to leave or additional leave.
- g) Remuneration in lieu of leave not taken, timing of such payments.
- h) Medical leave and timing of leave application.
- i) Cancellation or withdrawal of leave.
- j) Compulsory leave, bearing in mind recent labour court decisions, forfeiting leave.

16.6. Notice

- a) Period of notice required from either party.
- b) Grounds for termination of service.

16.7. Disciplinary code

- a) Misconduct.
- b) Suspension from service.
- c) Restrictions on competition, secrecy and confidentiality in the event of premature cancellation of an internship contract.
- d) Procedures for handling of complaints, grievances, requests.

17. CANCELLATION OF INTERNSHIP AGREEMENT

In view of the legal nature of the municipal finance management internship contract and to avoid the possibility of an action for damages suffered as a result of breach of contract, the parties should formally record their agreement to cancel the contract.

It is the duty of the training coordinator to notify the National Treasury of the cancellation of an internship agreement and the reason for the cancellation. A completed training record and a copy of the internship contract must accompany the notification of cancellation made to the National Treasury.

Cancellation of an intern contract automatically results in cancellation of the employment contract. Apart from the conditions given in section 25, cancellation of an employment contract can be effected only if the interns violate corporate regulations that are not in

conflict with their responsibilities as an intern. An employment contract cannot be cancelled on the grounds of retrenchment. The intern will, however, be entitled to due process and the protection of existing skills development, labour and industrial relations laws.

18. AUTOMATIC CANCELLATION OF INTERNSHIP CONTRACT

This will occur in the following circumstances:

- If the intern fails to return to the relevant internship station after a period of legally approved suspension from the internship contract
- If the intern is in breach of the internship contract
- If the intern fails to report for work even though he or she is not entitled to leave or sick leave in terms of the employment contract
- If the intern commits a criminal offence.

19. LENGTH OF INTERNSHIP

The maximum duration of the internship is 24 to 36 months, depending on the intern's initial qualifications and skills gaps as identified in the PDP.

The following annexures is completed and available on the National Treasury Website under the MFIP programme guidelines. These annexures will be utilised by the Cederberg Municipality in the programme.

Annexure A: Sample internship agreement:

Annexure B: Personal development plan:

Annexure C: Preparation of the professional portfolio of evidence:

Annexure D: The role of the portfolio of evidence:

Annexure E: The role of a mentor in the development of a municipal financial officer:

Annexure F: Skills development training programme for municipal finance interns:

Annexure G: Evaluation of an intern's technical and professional skills:

Annexure H: Daily log of work activities performed by the intern:

Annexure I: Fixed-term contract of employment: