NDLAMBE LOCAL MUNICIPALITY

MUNICIPAL FINANCE MANAGEMENT INTERNSHIP POLICY 2026/2027

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1. LIST OF ABBREVIATIONS

CFO:	Chief Financial Officer
FET:	Further Education & Training
FMG:	Financial Management Grant
MFMA:	Municipal Finance Management Act
MFMIP:	Municipal Finance Management Internship Programme
MFMP:	Municipal Finance Management Programme
MM:	Municipal Manager
MTREF:	Medium Term Revenue & Expenditure Framework
PDP:	Personal Development Plan
POE:	Portfolio of Evidence
PT:	Provincial Treasury
NT:	National Treasury
SAQA:	South Africa Qualifications Authority

2. PURPOSE OF THIS POLICY

2.1. To provide opportunities for new graduates in the field of finance, economics, accounting, internal audit, and risk management to the labor market to gain work experience.

2.2. To improve the employment prospects of persons previously disadvantaged by unfair discrimination and to redress those disadvantages through training and education.

2.3. To address the challenges of skills development and capacity building, and of learners who areinterested to learn and gain experience in the activities of Local Government.

2.4. A priority in general is for the learners to be trained in financial field, to gain work experience.

3. BACKGROUND

3.1. With effect from 01 July 2004, the National Treasury has introduced an internship programme that seeks to help build enough strategic management capacity at the local government level.

3.2. While the Municipal Finance Management Internship Programme (MFMIP) 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 helps address the acute shortage of strategic management in the local government sphere.

3.3. Capacity building is a long-term process that must be an attempt to build individual, organizational, institutional and environmental processes to strengthen the service delivery mandate of organizations including municipalities.

3.4. There are several opportunities presented by the macroeconomic challenges of unemployment of graduates not able to find employment opportunities for all municipalities' consideration. Such opportunities cover the in-house development of the talent pipeline for utilisation on future municipalities capacity needs. If the MFMIP is implemented appropriately, this programme may serve as the long-lasting solution to the talent pipeline needed by the Local Government Sector in these specialised financial management areas.

3.5. The MFMIP specifically, encourages municipalities to employ unemployed graduates in Accounting, Economics, Finance, Risk management and Internal Auditing, among others, over a multiyear period in line with the issued conditions.

3.6. The MFMIP 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.

3.7. The MFMIP is designed to provide interns (finance, accounting, internal auditing, risk management 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 universities of technology they graduated from.

3.8. 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.

4. THE MFMIP

4.1. The MFMIP provides interns, preferably recruited from previously disadvantaged backgrounds, with a logical training sequence founded on the knowledge they acquired from tertiary institutions. Through workplace interaction with and mentoring by Chief finance officers, Municipal managers, other officials within the Finance Department and/or advisors where present, the interns will benefit from the expertise and experience of these officials.

4.2 The two to three-year programme is expected to end, where appropriate, with the awarding to each intern with a professional qualification in MFMP to strengthen the chances of permanent retention within the same or neighboring municipalities at the onset.

5. SELECTION OF INTERNS

5.1. Appointment of interns must be consistent with the FMG framework conditions and MFMIP Guidelines as follows: -

a) Appointed interns must be holders of a three-year bachelor's degree or National Diploma.
b) According to Municipal Finance Management Internship Programme Guidelines, the municipality must not appoint graduates from FET colleges or other educational institutions other than from recognized universities or universities of technology.
c) Should the municipality opt to appoint someone from FET college, the municipality must obtain pre-approval from National Treasury before finalization and the Provincial Treasury be copied in this regard.
d) The qualification's major concentrations must be in Economics, Accounting or Finance, Internal Auditing or Risk Management.
e) The Appointment must be in line with employment equity requirements.
f) Appointed intern will be required to sign an internship agreement; and
g) 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.

5.2. In line with the above-mentioned conditions, Ndlambe Municipality should select at least 5 interns, who should be holders of a three-year bachelor's degree or national diploma with major concentrations in economics, accounting or finance, internal audit, or risk management. Intern selection will normally be in line with employment equity requirements and must be done through the internship implementation team.

5.3. 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. 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.

6. DURATION OF INTERNSHIP

6.1. The length or duration of the internship contract must be minimum 24 months and maximum 36 months. During the period of the internship contract, the interns must have covered at least 80% of the areas listed in their contracts.

6.2. The Municipality may extend the interns contract only under the following circumstances:

i. The interns are still in the process of completing their training on the regulated programme, MFMP;

ii. The municipality is of the view that interns still have gaps in their learning supported by the evaluation of their POE; and

iii. There are no immediate vacant positions against which to appoint interns who have completed their training, but some would be emerging in within a short while.

6.3. The Municipality must, three (3) months before the expiry of the contract, inform both the National and Provincial Treasury of their intension to extend or terminate the interns' contract including any appointments to date.

6.4. On extension of contract, the municipality must make sure that the total contract duration, in months, does not exceed the stipulated maximum of 36 months (original contract plus extension).

7. STIPENDS

7.1. It must be borne in mind that interns are paid a stipend and NOT a salary.

7.2. The MFMIP guidelines stipulates that a municipality shall pay the interns a stipend of a maximum of R100 000 per annum per intern as total cost to the municipality. If the municipality wishes to pay more than the recommended R100 000, then the excess of R100 000 must be sourced from its own MTREF budget.

7.3. In the first year the net stipend is R100 000 less the amount of the MFMP qualification costs i.e. If the qualification cost is R40 000, then the net stipend is R60 000, which over 12 months equates to R5 000 per month.

7.4. In the second year the intern will then be entitled to receive the full R100 000 over 12 months equating to R8 333 per month. This increase serves as an incentive to interns to take their studies seriously and finalise all the required assessments timeously.

7.5. Stipend beneficiaries do not get bonuses.

7.6. Like all other contract employees, the bargaining council agreements regarding annual salary increment do not apply to financial interns.

7.7. The Municipality must do everything possible to retain trained interns at appropriate levels for sustainable capacity building efforts.

7.8. Should an intern breach the contract in place by resigning, the municipality may enforce the contract by asking the intern to pay back all the training related costs.

8. RESPONSIBILITIES OF MUNICIPALITY

8.1. Depending on the municipality's human resource capabilities, it should consider appointing a suitable and dedicated person within its existing staff complement to act as the programme's training coordinator. This is aimed at ensuring that these interns do get proper and relevant/necessary trainings.

8.2. 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 Ndlambe Municipality:

i. Carefully identify the skills gaps of each of its interns.
ii. Plan its training activities to address those skills gaps.
iii. Identify and appoint a mentor from within its ranks.
iv. Selected accredited education and training providers.
v. Provide, on an on-going basis, on-the-job and formal but practical training; and
vi. Constantly monitor the progress of the interns.
vii. Avoid using interns for perpetual permanent responsibilities without affording them an opportunity for work rotation.
viii. Avail permanent retention opportunities to interns where vacancies exist through a formal process of interviews among others.

9. RESPONSIBILITIES OF INTERNS

9.1 Interns must regard this programme as an opportunity to learn LG municipal finance management and thus an opportunity to further their careers in LG and municipalities.

9.2 It is recommended that interns:

i. Be receptive to the training support provided by the Municipality through any of the delegated officials in this regard.
ii. Obey all policies and procedures of the municipality in respect of work process, ethics and ethos, among others.
iii. Take ownership of their own personal development by initiating self-directed learning and requesting clarifications if need be through the nominated mentors and coaches;
iv. Present themselves for possible placement against any of the suitable positions within the Finance Department.
v. Compile the necessary documentation required to monitor their learning progress.

10. TRAINING

10.1 Interns' service delivery tasks and duties are twofold oriented towards, firstly, learning and, secondly, adding value through a tangible contribution to the operations of municipalities.

10.2 In the process of learning new skills, the interns are required to demonstrate that they can apply what they learn in a tangible "value-added" way.

10.3 Interns must not perform routine process-oriented functions that are normally covered by full-time employees. If the situation is beyond the control of the Municipality due to unbudgeted positions, this must be managed closely and not last until the end of the interns' contract. Interns must be given an opportunity to learn different responsibilities under the Finance Department.

10.4 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.

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

10.6 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 shorter period lest the planned skills and knowledge are not entrenched.

11. MANAGEMENT OF THE INTERNSHIP PROGRAMME

11.1 Ndlambe Municipality will be required to have a well-documented structure for managing the programme, which should be coordinated by the Chief financial officer or a nominated official within the Finance Department.

11.2 An internship implementation team be formed, comprising the training coordinator, an intern's immediate supervisor, an advisor (where available), intern's mentor to carry out the following functions:

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

11.3 A well-documented structure for managing the programme is imperative, which should be coordinated by the Human Resources Manager or nominated official within this unit.

11.4 An internship implementation team, comprising of the CFO, the training coordinator, the mentor and the intern's immediate supervisors, must be established to carry out the following functions:

a) Facilitate the planning, preparation and implementation of the internship programme.
b) Compile a budget for the internship programme.
c) Develop a communication strategy with all stakeholders on internship programme.

d) Establish an administration system to support the internship programme.
e) Liaise with coordinators of other municipalities involved in the programme to share best practices.
f) Establish criteria for mentor selection.
g) Implement criteria for intern selection in line with these guidelines.
h) Coordinate the identification and selection of interns.
i) Coordinate on-the-job and off-the-job structured learning.
j) Liaise with the appointed education and training provider(s) to deliver the regulated programme.
k) Take collective responsibility to monitor progress on an on-going basis.

12. DUTIES OF TRAINING COORDINATOR(S)

12.1 The municipal official required to assume the responsibilities of a Training Coordinator is expected to: –

a) Act as a point of liaison between the Municipality and the National and relevant Provincial Treasury in matters pertaining to the respective interns.
b) Familiarise himself/herself with internship guidelines (this policy & MFMIP Framework) and advise the Municipality in this regard, as required.
c) Act on behalf of the Municipality in all contractual documents relating to these guidelines.
d) Keep the management of the Municipality and interns informed of all changes affecting the internship programme.
e) Ensure that the interns employed by the Municipality have access to all the relevant instruments, documents and space to train.
f) Establish that prospective interns possess the necessary minimum qualifications to enter into internship contracts.
g) Keep and maintain appropriate records or portfolio of evidence of the training experience of all interns under their control.
h) Plan the training programme of interns.
i) Inform both National Treasury and Provincial Treasury of any breaches of conditions of the internship.
j) Notify both National Treasury and Provincial Treasury when interns contracts are about to expire and request the necessary extension or notification of absorption to enable these stakeholders to update their records accordingly.
k) Provide such information as the National and Provincial Treasury may require in the arbitration of a dispute between the employing municipality and an intern.
l) Provide both National and Provincial Treasury with quarterly updates pertaining to the number of interns in the Municipality.

13. PERSONAL DEVELOPMENT PLAN

13.1 A PDP is used to document and identify the knowledge, skills and abilities needed by the intern to perform efficiently in a particular department. It should also identify assignments to be given to the intern during their internship in a given department/unit.

13.2 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 internal auditor, soon after the initial orientation session.

13.3 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.

13.4 The PDP is prepared by each intern with the assistance of the training coordinator and approved by the internship implementation team.

13.5 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.

13.6 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.

13.7 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.

14. MENTOR

14.1 A mentor is a person who guides a less experienced person by building trust and modelling positive behaviors.

14.2 The chief financial officer, in consultation with the municipal manager, is expected to identify the mentor for interns. It is recommended that a mentor be someone who is an expert in the relevant field within the Finance Department.

14.3 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.

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

14.5 As a motivator, the appointed individual 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.

14.6 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.

14.7 Sound implementation of the internship programme requires that mentors be identified to support interns' on-the-job learning. A mentor is deemed to be a counsellor, expert in the Finance Department, tutor or coach.

14.8 This role can be shared equally among supervisors as and when interns rotate within the Finance Department structure in line with their work rotation plans.

15. SUPERVISORS' RESPONSIBILITIES

15.1 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 in the Finance Department.

15.2 Supervisors may perform some of the following duties:

a) Familiarise themselves with the governing requirements related to the internship programme.
b) Meet regularly with the intern to review and discuss the intern's training progress and career goals.
c) If the intern is having difficulty in obtaining experience in certain areas, suggest additional training and supplementary educational activities that may be helpful.
d) Recognise the ethical responsibilities inherent in the mentor-intern relationship.
e) Be available as needed to help, advice and support.
f) Listen attentively and respond empathetically to questions and concerns raised by the intern.
g) Be receptive to feedback and new ideas.

16. MONITORING BY SUPERVISOR

16.1 The supervisor may agree with the intern on the practical schedule of meetings to review, assess and evaluate the intern's experience on the programme. At the end of the meeting the supervisor should document all work activities discussed with the intern.

16.2 The supervisor will review the following:

a) The work done by the intern since the last review.
b) The role of the intern.
c) Steps that can be taken by the intern to address deficiencies in the practical training process.
d) Examples of work executed by the intern.
e) Internship-related problems experienced, and possible solutions.
f) The extent to which the goals and objectives established in earlier meetings have been fulfilled.
g) Career-related issues.
h) Acknowledge good work and motivate the intern.

17. PROFESSIONAL PORTFOLIO OF EVIDENCE

17.1 Interns are required to develop a POE which is a collection of documents that demonstrate knowledge-based skills and work they have undertaken to be assessed as evidence to meet the required skills outcomes.

17.2 The professional portfolio of evidence is to document internship experience for later use by interns to complete an exit evaluation that will confirm the intern's competencies acquired during their contract.

17.3 Interns are required to develop a POE of the experience gained during the internship programme including the work rotation plan signed off by the respective supervisors.

17.4 Interns will be required to have their own portfolio of evidence, which should be shown to

the Chief Financial Officer and evaluators of the interns to prove their competence in certain areas of the internship.

17.5 Guidelines regarding the preparation of the professional portfolio of evidence are shown in NT's MFMIP guidelines on their website in Annexure D and the role of the POE is shown in Annexure E.

18. PRIORITY TRAINING AREAS

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

a. Strategic leadership and management
b. Strategic and operational financial management
c. Financial and performance reporting
d. Governance, professional ethics and values
e. Budgeting, Auditing and accountability
f. Partnership and stakeholder relations
g. Change, risk and project management
h. Procurement and contract management

18.2 The exact internship activities carried out by an intern are bound to reflect skills identified inthe personal development plan and unit standards registered by SAQA.

18.3 Interns must complete the 6 modules available freely on NT's MFMA interactive learning platform to give them a broad overview of the MFMA and the related reforms.

18.4 To achieve the outcomes attributable to the priority training areas identified above,an intern will have to spend a certain period 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.

18.5 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.

19. TRAINING RECORDS

19.1 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.

19.2 An intern who fails to participate in the completion of relevant training records contravenes an important requirement of the internship contract.

19.3 Training records consist of:

a) Weekly / monthly training plans

b) Signed evaluation forms

c) Logbooks

d) Evaluation outcomes

19.4 If an intern was unable to complete the above-mentioned documents due to proven absence of the support structure from the Municipality, then the intern may not be unjustifiably penalized in this regard.

20. EVALUATION OF INTERNS

20.1 Ndlambe Municipality is responsible for evaluating the interns every quarter.

20.2 During the work period, interns must be provided with the necessary feedback on work done as per their daily logbook.

20.3 Interns should also be given written feedback, within seven (7) days of the evaluation, by the head of the relevant unit or by the supervisor assigned to the intern on the extent to which they are meeting the programme's requirements and performance expectations.

20.4 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 remedial steps (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.

20.5 For purposes of evaluation, interns are expected to be competent in all the priority training areas. Interns are considered competent if they can execute tasks with minimal supervision or without supervision altogether.

21. CANCELLATION OF INTERNSHIP AGREEMENT

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

21.2 It is the duty of the Chief Financial Officer and the HR department to notify the National Treasury of the cancellation of an internship agreement and the reason for the cancellation. A completed training record (obtained from the Training Coordinator) and a copy of the internship contract must accompany the notification of cancellation made to the National Treasury.

21.3 Cancellation of an intern contract automatically results in cancellation of the employment contract. An employment contract cannot be cancelled on the grounds of retrenchment, as the internship programme is funded by National Treasury. The intern will, however, be entitled to due process and the protection of existing skills development, labor and industrial relations laws.

21.4 The intern's contract may be cancelled due to the following circumstances:

a) If the intern is in breach of the internship contract.

b) 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.

c) If the intern fails to attend scheduled training and does not submit the required POE as per the scheduled time.
d) If the intern commits a criminal offence.

22. EVALUATION OF THE TRAINING PROGRAMME

22.1 An evaluation should be done during the internship to ensure that learning and skills development activities are suitable for the municipal finance management internship outcomes.

22.2 The evaluation is done in order:
a) To determine whether training objectives are being achieved.
b) To gain information on how to improve the training.
c) To decide whether to continue, expand or eliminate the training.
d) To assess training and learning activities as they relate to improved organizational performance; and
e) To identify gaps and recommend corrective actions.

23. VERIFICATION OF THE INTERNSHIP PROGRAMME TO NATIONAL TREASURY

23.1 NT with the support of PT will conduct evaluations and verifications of the internship programme.

23.2 The following are some of the areas that will be evaluated:
a) Validity of contracts.
b) Validity of formal qualifications of appointed interns.
c) Documented work rotation plans.
d) Formal training opportunities in line with the minimum competency levels.
e) Availability of mentors to support interns' development.
f) Stipends payable to interns.

23.2 The Municipality must notify both NT and PT through the LG database of the appointment of new interns or any movement of interns as well if interns are afforded permanent retention opportunities.

24. COMMENCEMENT OF THE INTERNSHIP

24.1 On commencement of the internship the municipality must make available to the intern all formal written policies and procedures that govern:
a) Recruitment and the qualifications required.
b) Administration & financial arrangements.
c) Intern performance evaluation, feedback, retention and termination decisions.
d) Level of work achievement required for interns to be considered competent and to complete the internship programme; and
e) Due process and grievance procedures for interns.
f) This MFMIP policy.