



Information on the BEE Verification Process – A02-03

1. PURPOSE AND SCOPE

This document provides necessary information on the BEE VERIFICATION AGENCY CC Verification process to enable applicants to contract for BEE verification. This document should be read in full, prior to signing the R01 Standard Terms and Conditions agreement.

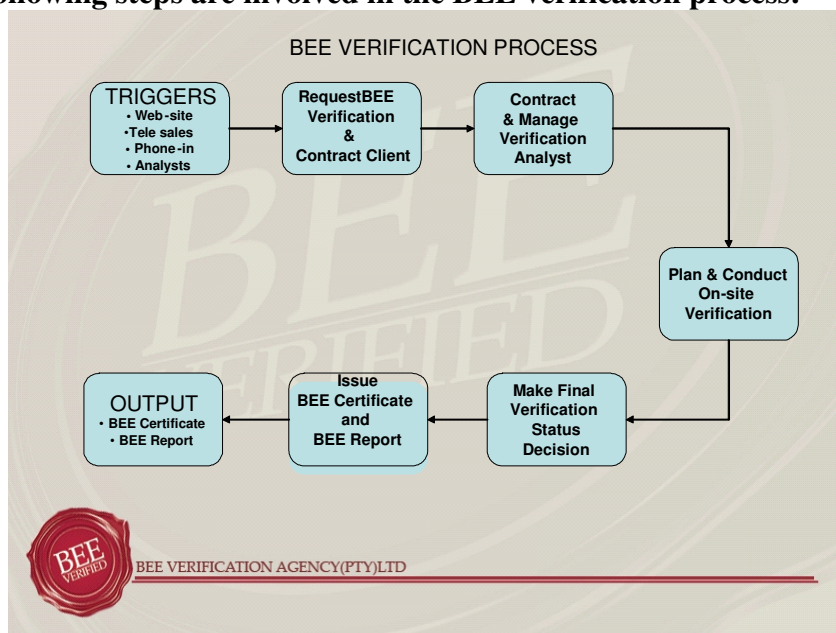
2. BEE VERIFICATION

A BEE verification certificate is official recognition that an organisation is in compliance with the Broad Based Black Economic Empowerment Act.

BEE VERIFICATION AGENCY CC's verification is an independent and in-depth verification process aimed at establishing the BEE status of companies, closed corporations and other economic entities. A verified entity (client) demonstrates through formal verification of submitted BEE related evidence its level of compliance with the BEE Act and the BEE Codes of Good Practice.

3. THE BEE VERIFICATION PROCESS

The following steps are involved in the BEE verification process:



3.1 Request BEE verification and contract the client

To start the quotation process the Sales Consultant will answer a client call or e-mail or select a potential client from the database.

When in contact with the potential client, the Sales Consultant will obtain the following information from the potential client.

Client business name
Business address
Client representative name
Representative e-mail address
Representative tel. no

The sales consultant will inform the potential client that an application form will be forwarded to the potential client via e-mail. The form, F04 - Application for A BEE Verification is then emailed to the potential client. In the e-mail the potential client is asked to complete the form and return it to the sales person who initially sent the form to the client. It is also indicated to the potential client that the data requested on the form is required to determine

- the complexity of the verification work to be done
- if BEE Verification agency is accredited to do the verification and
- to prepare a quotation to do the verification.

Once Form F04 - Application for BEE Verification is received from the potential client, the Sales person in consultation with the Admin Manager, and if necessary the Compliance Manager reviews the application by using F07 - Review of the BEE Application Form, by deliberating the following questions:

Is BEE Verification Agency CC SANAS accredited to do the specific verification?

If not, the application is rejected.

If yes, the following is considered:

Is the application form correctly completed?

Are there any grounds for conflict of interest?

Is there a competent analyst available, which was not involved in consultancy for this client during the last two years?

Does **BEE Verification Agency CC** we have the capacity to do the verification within the time frame of the client?

What is an appropriate fee to quote to the client? The detail on the application form is used to determine the fee quoted.

Based on the answers to the questions above, the Admin Manager makes an informed decision to accept or reject the application.

If rejected, the client is informed of the reason for the rejection on A3-BEE verification reject letter.

If the application is accepted the client is informed via A13-Acceptance of BEE application letter.

Form A13- Acceptance of application for BEE Verification is used to notify the client that the application is accepted. A13 is used to convey the following to the client:

- Acceptance of the application
- The quoted fee
- Request to pay full amount upfront before verification will commence
- Which analyst is appointed to do the verification
- What qualification and experience the analyst has
- Who the Compliance Manager(s) will be
- Request to accept the conditions above or to object it in writing.
- To complete R01- Standard Terms and Conditions agreement
- Information on the verification process
- Complaints and appeals process

Final acceptance of the client application is only concluded when the client adheres to the following conditions;

- Return of the signed R01- Standard Terms and Conditions
- Acceptance in writing of the analyst who will do the verification and the Compliance Manager who will assess the client file and issues the BEE certificate.
- Paid the full amount upfront with proof of payment.

3.2 Contract Verification Analyst(s)

Once the pro conditions are met the Administration Manager then contracts a suitable Verification Analyst(s), certified as competent and with whom no conflict of interest exists, to undertake the BEE verification.

3.3 Plan the on-site verification

Once the Analyst accepted the instruction to conduct an on-site verification the client must be contacted within 3 days to set up the initial meeting.

During the telephonic interchange the Analyst must verify the following:

- Annual turnover as per last financial statement in order to confirm QSE or Generic and applicable Sector.

The Analyst confirms the date, time, duration and place of meeting and sends the client an e-mail to this effect.

The Analyst records the meeting date in the Verification Workflow Checklist.

3.4 Orientate the client regarding BEE verification after contracting has been finalised

This step will deal with the following:

The client will be:

- Educated in the BEE Codes applicable.
- Informed as to how the applicable rules must be interpreted and applied.
- Informed as to what evidence is required and in what format it must be submitted. The relevant *Evidence Checklist* and spreadsheets will be issued to the client.
- Informed regarding the verification process especially in terms of the time standards, appeals and complaints processes and how the final verification decision is made. The *Information on the BEE Verification Process* document (A02) is used for this discussion.
- Informed as to how to complete the *Raw Data Spreadsheet*.

During this session the client will be informed that if he/she prefers that some evidence not be sent by courier to the VA's Registered Office, but rather be e-mailed, that the identified evidence be submitted electronically on CD/DVD to the Analyst.

The Verification Agent will negotiate the time for the next meeting where the evidence will be collated and collected for evaluation by the Analyst.

- The *Evidence Checklist* is left with the client.
- The Analyst confirms the next meeting with an e-mail.
- The Analyst records the meeting and the date of the next meeting on the Verification Workflow Checklist.

3.5 Collect and collate the evidence provided by the client

During this meeting the Analyst will sign the *Confidentiality Agreement* (F03) in front of the client and hand a copy of the document to the client.

The Analyst receives the evidence as per checklist from the client.

If evidence is outstanding the Analyst will inform the client as follows in writing, namely:

- what evidence is missing
- how much time is allowed to submit the evidence
- that if the evidence is not submitted during the allowable time frame, verification of submitted evidence will commence without the outstanding evidence.

The client will sign the Scorecard and Industry Declaration (F08), to certify that evidence was submitted indicating that the client takes responsibility and ownership for the evidence submitted.

If possible the Analyst confirms the next meeting with the client.

The Analyst records the meeting and the date of the next meeting in the Verification Workflow Checklist.

3.6 Validate the evidence and identify areas needing verification

During this phase the Analyst will evaluate the evidence submitted in terms of the evidence standards per element and identify areas where further on-site verification is required to validate the evidence.

In evaluating the evidence the Analyst will apply the prescribed *Verification Methodology* to evaluate and verify the evidence submitted.

This is done in conjunction with the DTI methodology guidelines.

Once the evidence is evaluated and found to be sufficient the Analyst will accept and proceed with the verification plan.

This phase will identify areas needing more in dept verification and will culminate in a final on-site verification.

The Analyst records the step in the Verification Workflow Checklist.

3.7 Plan the final on-site verification meeting

Once the Analyst has validated the evidence a clear picture will emerge of what additional verification needs to be done to reach a final conclusion of the BEE status of the measured entity.

The plan will identify the following:

- Who needs to be present for purposes of interviewing to verify BEE credentials?
- What samples must be presented and who must present the samples. Samples will be identified based on a prescribed sampling method.
- What additional paper evidence is required to substantiate evidence already submitted?

The plan will be communicated in writing to the client and the date for the meeting will be confirmed via e-mail. The client is informed that he/she can object to the plan in writing. If the client accepts the plan, it must be accepted in writing.

The Analyst records the plan and the date of the next meeting in the Verification Workflow Checklist.

3.8 Conduct the final on-site verification meeting

The Analyst will open the meeting using the *Opening and Closing Meeting Document* (F05) as a guideline.

During this meeting the planned activities will be executed to verify those areas in question.

If the sample does not yield reliable results then another sample must be pulled and once the second sample is verified the Analyst must make a professional conclusion in terms of what BEE points to allocate based on the results of the samples taken and evaluated.

Final decisions will be taken as to what evidence is accepted and the client will be informed accordingly. The Analyst will document the decision rationale on the Feedback to client form at the final on-site verification meeting.

The verification process will be terminated according to F05 at this meeting and the client will be informed that the file will be submitted to the Compliance Manager for a final decision.

The Analyst records the meeting in the Verification Workflow Checklist.

3.9 Prepare and submit the file for the final BEE decision by the Compliance Manager

During this phase the Analyst will secure all evidence and administration documents on the hard copy file and prepare and sign the *Recommendation report*.

The electronic client file on Navigator is closed and submitted on the system.

During the full verification process the analyst will take the prescribed precautions to secure the documents received from the client.

The Analyst records the actions in the workflow system on the client electronic file.

The analyst informs the Admin Manager that the file has been completed and forwarded for final approval by the Compliance Manager. The Analyst records the actions in the Verification Workflow Checklist.

The hard copy file is then couriered to the Compliance Manager.

3.10 Make the final BEE decision

Once the Compliance Manager receives the notification to Audit the client file, the Compliance Manager accesses the electronic file of the client on the Navigator system, and receives the hard copy file.

The Compliance Manager reviews the evidence on file and if not satisfied might request additional evidence, info or clarity from the Analyst. The Analyst will then submit what is requested.

Once satisfied that the evidence is conclusive the Compliance Manager will make the final BEE status decision and instruct the Admin Manager to produce the BEE certificate and report which is then send to the client with a letter reminding the client of the rules for using the logo and the procedure for appeals and complaints.

During this phase the Compliance Manager will also identify skills deficits in the Analyst, informs the analyst and follow it up with the Analyst to ensure compliance.

4. APPEALS AND COMPLAINTS

Should an organisation wish to complain or appeal a decision by BEE VERIFICATION AGENCY CC, they should lodge the complaint/appeal with the Admin Manager. Once the Admin Manager has received the completed complaint/appeals documentation, he/she will appoint an independent impartial investigator to investigate and resolve the complaint or appeal.

An appeal or complaint must be lodged with BEE VERIFICATION AGENCY CC within 1 month of the incident.

5. CONFIDENTIALITY

All information submitted to **BEE VERIFICATION AGENCY CC** in support of the application is treated in confidence.

All Analysts used by **BEE VERIFICATION AGENCY CC** are required to sign confidentiality agreements and contracts. Any breaches of confidentiality are treated extremely seriously.

BEE VERIFICATION AGENCY CC will request written permission from all applicants prior to releasing any information to a third party. **BEE VERIFICATION AGENCY CC** may be required to release confidential information in compliance with the law or in response to the regulators.

In addition to the above each **BEE VERIFICATION AGENCY CC** Analyst and the Compliance Manager is required to sign a confidentiality form specific for each verification. These are maintained on file in the company's client file.

6. TIME SCALE FOR VERIFICATION PROCESS

BEE VERIFICATION AGENCY CC makes every effort to ensure that all applications are processed as efficiently as possible. The time taken to process an application depends on a number of factors, some of which are outside the control of **BEE VERIFICATION AGENCY CC**.

The timing is dependent on:

- The quality of the applicant's documentation and the extent to which it complies with **BEE VERIFICATION AGENCY CC**'s requirements.
- The availability of the resources within **BEE VERIFICATION AGENCY CC**.

Generally verification takes between 4 to 6 weeks from receipt of the application form to the on-site verification.

The following time standards apply for those steps under the control of **BEE VERIFICATION AGENCY CC**: - See Annexure A – P111

7. BEE VERIFICATION AGENCY CC VERIFICATION LOGO

No company is permitted to use the **BEE VERIFICATION AGENCY CC** verification logo until they have received permission to do so in writing from **BEE VERIFICATION AGENCY CC**.

A verified organisation should consult **BEE VERIFICATION AGENCY CC** document number **P14** entitled **Control the use of BEE Certificates and Company Logo**, prior to preparing any organisational material, which makes any reference to the **BEE** verification status or the **BEE** Verification CC logo.

Annexure A



BEE VERIFICATION AGENCY CC

Procedure for adherence to timelines – P111

1. Purpose and Scope

The purpose of this document is to ensure that the time standards for those activities under the control of the Compliance Manager and analysts is set and adhered to. Refer to SANAS R47 18.2.4 and 18.2.9.

2. Maximum Time Standards Allowed

The below time standards is set to ensure that a verification does not take longer than 120 days. In reality and depending on the co-operation of the client, verifications usually take far less time.

Activity	Time Standard in Days
1. From receiving all contracted documentation from the client to allocating analyst and notifying client	3
2. From allocating analyst to accepting/rejecting the allocation by the analyst	2
3. From accepting the allocation to contacting the client	2
4. Conducting verification up to submitting electronic file to the Compliance Manager. (Please note: if the verification is not completed within 120 days, the Compliance Manager is notified who will implement the penalty clause as per standard terms and conditions)	Max 120
5. From completing the final on-site verification up to submission of electronic file to Compliance Manager	7 to 14 working days depending on complexity of verification
6. From receiving the file from the analyst to issuing BEE Certificate.	10 working days
7. From issuing the BEE Certificate to forwarding to client	3

3. Procedure for exceeding 120 day time standard

- 3.1 Two weeks prior to the 120 days deadline, the client is informed that the deadline is approaching and that all outstanding evidence must be submitted within 10 days.
- 3.2 If the client does not respond, the same information as in 3.1 is sent to the client via e-mail with read receipt indicator.
- 3.3 If the client still does not respond the file is closed, no certificate is issued and the paid fee retained.

4. Procedure for cancelling the contract to do a verification within 120 days

- 4.1 A request to cancel a contract to do a verification, will only be entertained within 120 days from contracting. The client must submit this request to the analyst in writing.
- 4.2 The analyst will inform the Compliance Manager regarding the client's request for cancellation and the compliance manger in consultation with the analyst determine the percentage of work already concluded and finalise the administration fee to be retained.
- 4.3 The Compliance Manager informs the analyst regarding the administration fee and the latter will liaise with the client regarding the refund if any.

5. Procedure for putting verification process on hold

- 5.1 A request to put a verification process on hold must be submitted by the client to the analyst in writing with motivation.
- 5.2 The analyst will negotiate a new deadline and inform the Compliance Manager regarding the client's request.
- 5.3 Should the motivation from the client be realistic and valid, the Compliance Manager notes the request and adds it to the VA logsheet.
- 5.4 This request for extension has to be filed on the file as an attachment to the Verification Workflow Checklist.

6. RESPONSIBLE PARTIES

Verification Analyst, Compliance Manager and Measured Entity.