

Premier Verification

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The South African National Accreditation System criteria and guidelines for the accreditation of B-BBEE Verification Agencies, reference R 47, are very specific about the fact that a Verification Agency cannot be both a “referee and a player”. In even more simple terms, that means that a Verification Agency cannot act as a consultant for any of its clients if it intends to carry out their Verification. There is also the prescribed need for a minimum period of 2 years to elapse following the end of any BEE consultancy process either by a Verification Agency, or by any related party, before that same Verification Agency may carry out the verification process.

Under the section headed “Management of impartiality”; Item 14.6.2 clearly states that the BEE Verification Agency and any related party shall not offer or provide both BEE verification and BEE consultancy to the same measured entity.

Item 14.6.4 states that the BEE Verification Agency shall ensure that the activities of other related bodies, e.g. consultants, accountants, attorney’s, etc., do not affect confidentiality, objectivity and impartiality of its activities and that they should avoid any situation that would create a conflict of interest arising from the activity of any other body.

This in effect means that no one can set up, under the same or linked management and ownership, both a Verification Agency and a BEE Consultancy, either under the same or similar name, or on the same premises, or with separate identities and premises for that matter. It comes back to the fact that a Verification Agency cannot be both an advisor and adjudicator. Hence there is a need for an independent BEE advisory service.

There is another important requirement: The BEE Verification Agency shall take measures to prevent a consultancy body from stating or implying that BEE verification would be simpler, faster or less expensive if a specified BEE Verification Agency is used. Similarly, a BEE Verification Agency shall not state or imply that BEE verification would be simpler, faster or less expensive if a specified consultancy body is used, SANAS R47. Item 14.6.6, criteria and guidelines, refers.

The compliance requirements for obtaining scorecard ratings as detailed in the B-BBEE Codes of Good Practice are complex. Very few companies will have the in-house expertise to effectively complete the process of preparing themselves for the initial verification of their scorecard rating.

So, how does one ensure that one is going to get the right advice in the first place about whether one should be getting a BEE scorecard at all?

Secondly how does one ensure that one is providing the right information for the Independent Verifier to determine compliance with the elements of the Codes of Good Practice?

This is where it can be expected that there will be a proliferation of instant BEE experts, many of whom will only have a superficial knowledge of the Codes of Good Practice. So how do you know that the information they give is valid and any recommendations that they may make with reference to a specific Verification Agency are not only impartial but comply with the SANAS criteria and guidelines?

Premier Verification have made it very clear that BEE consulting is not their business. Their primary goal is to be recognised as the Number One Verification Agency in South Africa and have put in place the right systems and processes that will ensure effective client support and BEE management systems.

There will be B-BBEE “Agents” who will see themselves in a position to recommend any of the Accredited Verification Agencies, once SANAS has completed their initial Accreditation process of the Verification Agencies that have submitted their applications for accreditation to them by 20 April 2009. They will identify prospects for a BEE Scorecard Rating, sign them up and pass the information on to the Verification Agency that may be recommended, perhaps based upon the best returns that they can negotiate with that Verification Agency. This will be very much like “take your pick for a lucky card from a full deck”.

Therefore seek an Independent BEE Support Centre with a proven track record within the whole Economic Engagement as we prefer to call it.

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In line with the SANAS criteria and guidelines these should be totally independent of any Verification Agency e.g. none of the owners or employees at the Support Centre may have any interest in the Verification Agency or vice versa. They cannot participate in any of the Verification Agency company benefits. They must have their own set of financial accounts, they must be a totally independent entity and they cannot and do not carry out any BEE Verification. Any recommendations that they make with reference to a specific Verification Agency must be justified, based upon their own in-depth research of the realities and facts relating to client service and support, not purely upon the best returns in terms of financial rewards for passing on leads.

Independent BEE Support Centres will be able to call upon Verification Agencies for advice and guidance, without disclosing client details, but more importantly their consultants should be knowledgeable about the BEE Codes of Good Practice, as they apply to any business sector.

It will also be possible for Verification Agencies to offer training programmes or seminars for prospective clients, the staff at BEE Support Centres and even independent agents, as long as the purpose is to pass on knowledge surrounding the BEE Scorecard Rating and Verification processes. This will ensure that all participants have the knowledge to make reasoned decisions on what is the best way for them to proceed and with whom to proceed.

Independent BEE Support Centres may earn their living in a number of ways:

- there may be commission from a Verification Agency for any leads passed their way. These amounts will always vary but should not be a concern of the enterprise that is seeking a BEE Scorecard rating. The important thing is to ensure that the Independent BEE Support Centres have the expertise and credibility in order to advise you effectively with reference to the compliance requirements of the seven elements of the scorecard and whether your enterprise is an Exempted Micro Enterprise, a Qualifying Small Enterprise or a Generic Enterprise and what this entails.
- you may require additional in-depth advice and guidance as you prepare your own verification. This would be a chargeable service, normally at an hourly or project rate. Normally, however you should expect some free consultancy time, based upon the cost of your initial Rating Fee.
- once a Verification Agency has provided you with an Optimisation Report, such as the one that is a standard part of the Premier Verification process, this may lead to further chargeable consultant activities which can only be carried out by an independent BEE consultant, or BEE Support Centre. Ask for separate quotations for such activities, covering both scope and cost.

Remembering that obtaining and maintaining a B-BBEE Scorecard Rating is “not an event but a journey,” one should always ensure that, when seeking a partner to assist you with meeting the needs of the Verification process, there are no hidden charges.

The reality is that no one can be all things to all people. The secret is to make sure that your BEE Support Centre has a network of experts in all of the many aspects of obtaining a BEE Compliant Scorecard Rating.

Call a credible BEE Support Centre and let them take the burden from you so that you can concentrate on the stability and growth of your core business.