

B-BBEE: Verification Manual - Relevance and importance

Companies will recall the uncertainty that unfolded last year within the B-BBEE (Broad-Based Black Economic Empowerment) industry when the accreditation process of BEE verification agencies was temporarily suspended, caused by certain disagreement between SANAS (South African National Accreditation System) and the Department of Trade and Industry (dti). The suspension occurred in July 2008 after the dti had published the Verification Manual in the government gazette, further causing uncertainty between the gazetted dti Verification Manual and the SANAS R47-02 document. Fortunately, the differences were resolved and SANAS announced the reinstatement of the accreditation process and upliftment of the suspension.

To this end, verification agencies listed with ABVA (Association of BEE Verification Agencies) are steadily progressing toward final accreditation by SANAS. Expectedly, ABVA members have subscribed to the principles and methodology for accreditation and their processes will provide companies an assurance of the integrity of the information on which the BEE verification is based. Furthermore, by adopting the manual's processes, companies can expect to reduce their risk of misinterpreting the codes and elements of the BEE scorecards. Whilst many companies may face different challenges when tackling B-BBEE, their primary goal should result in B-BBEE compliance and naturally its verification. It is therefore imperative that companies make use of verification agencies that subscribe to the manual, thereby offering their clients the peace of mind pertaining a consistent BEE verification approach and application, as well as high service standards. The primary purpose of BEE verification is to establish that a company participating in the verification process has adhered to the BEE codes of good practice and also to give buoyancy to those entities that depend on the final issued certificate.

Every company within South Africa has different challenges to tackle when considering B-BBEE compliance and its verification. Some companies have never obtained a BEE verification certificate before and are starting from scratch, while others are just looking to maintain or even improve on their previous BEE scorecard.

The Verification Manual is for purposes of accreditation and is used by verification agencies to ensure minimum norms, ethical conduct, consistency and transparency during the verification process.

In the preface of the Verification Manual, the minister of Trade and Industry prescribed the manual as part of the accreditation process and stated that it should be used by all verification agencies when performing B-BBEE verifications. The manual incorporates the relevant provisions as set out in the SANAS R47 document as amended, directly or by reference.

Companies are urged to support the attempts of verification agencies to uphold these minimum standards of evidence during the verification process – at least we now have certainty regarding the approach to B-BBEE and its scorecards as prescribed within the Verification Manual.

For more information visit the ABVA web-site, www.abva.co.za or call 086 111 ABVA

*CGF acknowledges the input of this newsletter by NERA (National Empowerment Rating Agency) and can be contacted on (011) 678 1482.