



# BEE VERIFICATION AGENCY CC

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## BEEVER NATIONWIDE

### Information on the BEE Verification Process – A02-07

#### 1. PURPOSE AND SCOPE

This document provides necessary information on the BEE VERIFICATION AGENCY CC Verification process to enable applicants to apply for BEE verification. This document should be read in full, prior to submitting a formal application for BEE verification.

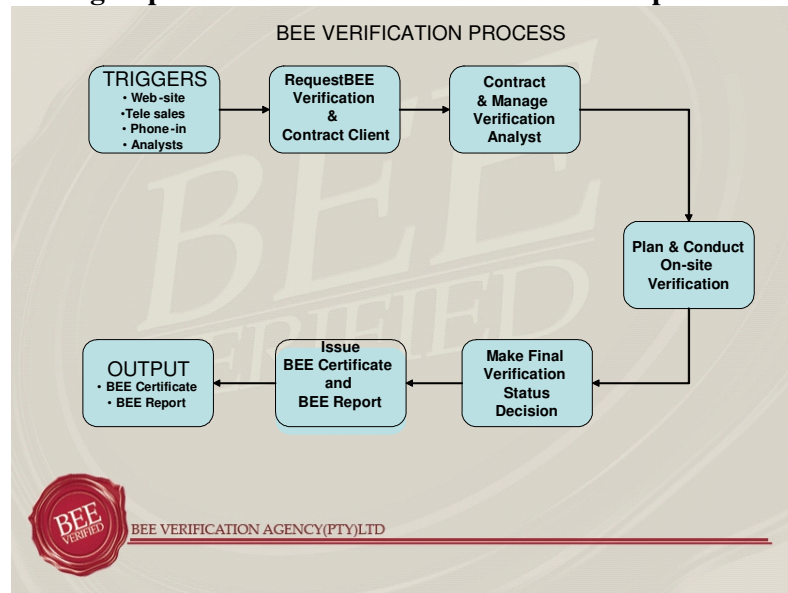
#### 2. BEE VERIFICATION

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

The client can approach BEE VERIFICATION AGENCY CC for a quotation via the following means:

- The [www.beever.co.za](http://www.beever.co.za) website by filling in and submitting a request for a quotation on the website
  - By phoning any of our staff
  - By discussing it directly with any of our Verification staff
  - Upon the contact made by our Tele sales staff
- Once the request for BEE verification has been received the Administration Manager will send the following documents to the client:
- Quotation for BEE Verification Letter (A07)

The client can then download the following forms from our website:

- Application Form (F04)
  - Standard Terms and Conditions (R01)
  - Information on the BEE Verification Process (A02)
  - FEE Guidelines (P06)
- If the client accepts the quotation the following documents must be sent back to the Administration Manager:
- Signed Application Form (F04)
  - Signed Standard Terms and Conditions (R01)
  - Proof of full payment
- Once the above mentioned forms and proof of full payment have been received, the application will be reviewed and accepted or rejected by the Administration Manager.

If rejected, full reasons for the decision will be disclosed to the client and the fees paid will be refunded.

- If the application is accepted, the Administration Manager makes out an invoice, forward it to the client with a letter stating that the application for BEE verification has been accepted and that the allocated analyst will contact the client.

### 3.2 Contract Verification Analyst(s)

The Administration Manager then selects and 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 2 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 status and to determine which *Evidence Checklist* is applicable.
- Which scorecard rules apply

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 workflow system on the client electronic file.

### 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* will be handed over 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 (A-02) is used for this discussion.**
- **Informed as to how to complete the *Supplier Management spreadsheet*, if client selects the Procurement element.**

**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 head office in the hard copy file, 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 in the workflow system on the client electronic file.

### 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 collects the evidence as per checklist from the client and tic the submitted column if the evidence was accepted. 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 Evidence Checklist as per the declaration on the last page, to certify that evidence was submitted indicating that the client takes responsibility and ownership for the evidence submitted.**

**The analyst will also indicate on the checklist what evidence was submitted electronically.**

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 workflow system on the client electronic file.

### 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 verification on site is required to validate the evidence.

In evaluating the evidence the analyst will apply the prescribed methodology as per evidence required. SEE P30 to P34 for the appropriate *Verification Methodology* to be used in evaluating and verifying 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 mark the relevant evidence on the *Evidence Checklist* with a tic under the verified column. If notes need to be done to clarify the conclusion of the analyst a corresponding number will be allocated under the Note Number column.

Once the evidence is evaluated and found not to be conclusive and sufficient the analyst will indicate with a tic under the Plan column that a *Verification Plan* for the specific evidence element will be written.

The *Verification Plan* will identify or determine the following:

- Additional evidence required to validate the submitted evidence.
- People to be interviewed to validate the credentials they presented.
- Samples the client must present to the analyst to determine the validity of classes of evidence submitted which is too large to audit in total e.g. supplier spend, employment equity totals and skills spend.

The following sample procedures will be followed by the analyst:

All samples must be representative of all the classes within the population.

All samples will be done randomly taking into account the following sample sizes:

For population size of up to 10 units:	Sample size 30%
For population size of up to 50 units:	Sample size 20%
For population size of up to 100 units:	Sample size 15%
For population size of up to 500 units:	Sample size 4%
For population size more than 500 units:	Sample size 3%

The analyst will indicate in the verification plan exactly which units should be included in the sample.

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 workflow system on the client electronic file.

### **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.
- 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 analyst records the plan and the date of the next meeting in the workflow system on the client electronic file.

### **3.8 Conduct the final on-site verification meeting**

The analyst will open the meeting using the *Opening and Closing 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 and allocate a reference number under the Note number column. Once the evidence is accepted the analyst will indicate acceptance with a tic under the verified column.

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 workflow system on the client electronic file.

### **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 admin documents on the hard copy file and prepare and sign the *Recommendation report*.

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

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

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

### **3.10 Make the final BEE decision**

Once the Compliance Manager receives the hard copy file the Compliance Manager accesses the electronic file of the client on the system.

The Compliance Manager accesses 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 system 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 to be communicated to the CEO who will follow it up with the analyst.

#### 4. APPEALS

Should an organisation wish to appeal a decision by **BEE VERIFICATION AGENCY CC**, they should immediately contact the CEO to lodge an appeal.

**BEE VERIFICATION AGENCY CC** has an independent appeals procedure that would automatically be invoked under these circumstances. This procedure can be downloaded from our website [www.beever.co.za](http://www.beever.co.za).

An appeal 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:

Request BEE verification and contract the client	2 days
Contract the analyst	2 days
Plan the on-site verification	2 days
Orientate the client and collect evidence	14 days
Evaluate the evidence	5 days
Conduct the on-site verification	
QSE's	1 day
Generics up to R200 mil turnover	2 days
Generics between R200 mil and R400 mil turnover	3 to 4 days
Generics with turnover above R400 mil	4 to 5 days
Make the final BEE decision	7 days
Issue the BEE Certificate and report	2 days

**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 **P14-04** 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.