

**The BEE Verification process - a business imperative.**



Author:

***With the recent gazetting of the BEE Codes, there has been much confusion and apprehension within the business community in regards to compliance and verification.***

The Association of BEE Verification Agencies (ABVA), as the official industry body of the verification industry, is available as a critical resource for businesses looking to understand the Codes and to embark on the verification process.

#### **BEE: A Business Imperative**

The BEE Codes are already having a marked impact on the South African business landscape. While the BEE Verification process for businesses is not an issue of legal compliance, it is a business imperative. There are no inspectors policing the BEE status of enterprises, but potential business opportunities in both the public and private sector will be influenced by it.

#### **BEE Rating Certificates**

Many businesses therefore, are beginning the process of securing their BEE scorecards and official Ratings Certificates. As with any new business certification process, the process of measuring the BEE status of a business entity and issuing a BEE Rating Certificate is a complex one, fraught with many potential dangers. An enterprise's BEE status could make the difference between winning or losing business. It is therefore an essential success factor for the BEE process that the measurement and rating process is fair, independent and credible.

#### **ABVA Recognition**

While the search for a reliable and credible BEE Verification Agency may seem daunting, the industry itself has taken crucial steps to assist businesses and to ensure sustainable credibility within the field. The Verification Agency industry has formed an official industry governing body, The Association of BEE Verification Agencies (ABVA) which has been formally recognized by the Department of Trade and Industry (DTI) and The South African National Accreditation System (SANAS). SANAS is recognized by the South African government as the National Accreditation Body that gives formal recognition to Laboratories, Certification Bodies, Inspection Bodies, Proficiency Testing Scheme Providers amongst others. SANAS has also been given the responsibility to accredit BEE Verification Agencies in terms of specific and general accreditation criteria contained in documents issued by SANAS.

#### **ABVA Directors**

ABVA was formed in 2006 and held annual elections for its Board of Directors in April 2007. The Board of Directors is made up of various leaders from within the BEE Verification industry, including: Theo Lombard, Lizette Frank, Andile Thloale, Ridwana Yusuf-Jooma, Colleen Wilson, Roger Latchman and Chia Chao Wu.

Each member is tasked with a different area of focus based on the goals of ABVA. These include Public Relations to increase awareness around the industry, Skills Development to assist with the development of new and smaller BEE Verification Agencies, and Discipline, to monitor and manage conflicts and disputes amongst members or between members and clients.

#### **ABVA Objectives**

Other stated objectives of ABVA are as follows:

- To promote the objectives of the Act and the Codes;
- To promote high levels of professionalism and competence;

- To regulate the proper conduct and practice of members;
- To represent the BEE verification sector in its dealings with the DTI, SANAS, the public and other relevant stakeholders;
- To promote general public knowledge of the BEE verification requirements and processes

These various objectives of ABVA are critical to the newly emerging BEE Verification Industry since the importance of the adequate monitoring and accreditation of BEE Verification agencies cannot be overestimated. With billions of Rands of business deals at stake, it is imperative that the Verification Industry adheres to norms and standards of practice that can be monitored and managed in a sustainable manner.

### **Verification Methodology**

For that reason, SANAS has embarked on the accreditation process for the first 62 Verification Agency applicants. Together with ABVA, SANAS will soon be launching an approved methodology that all accredited BEE Verification Agencies will be required to follow. This will ensure that the verification process is consistent, transparent, credible and managed with integrity.

### **Agency Accreditation**

For businesses feeling overwhelmed by the need to secure their BEE ratings, ABVA will therefore perform a valuable function as a resource to find legitimate and credible verification agencies. In order to become a full member of ABVA, BEE Verification agencies will be required to be accredited by SANAS. Currently, all full members of ABVA have applied to SANAS for accreditation. Therefore businesses looking for legitimate Verification Agencies should only use these member agencies if they want to be assured of the credibility and reliability of the verification results. ABVA has the ability to monitor its members as well as to handle disputes that may arise providing businesses with recourse in case any disputes do arise with ABVA members.

### **Best Practices**

ABVA is already playing a critical role in the development of the newly formed BEE Verification industry. Not only does ABVA provide a platform for agencies to interact with SANAS and the DTI but at the same time, ABVA is playing an instrumental role in establishing the norms and accepted practices to ensure the integrity and viability of this newly emerging industry. ABVA is currently working with its members and with SANAS to clarify critical issues such as pricing guidelines, ensuring standardization of verification practices, and dispute resolution.

### **ABVA Website**

Since there are currently no accredited BEE agencies, the best way for businesses to be assured of dealing with a credible agency is to check the ABVA web-site for the list of Full ABVA Members. ABVA will continue to update its site and inform businesses as soon as SANAS has completed the initial accreditation process.

For businesses at large, ABVA is therefore a useful and important resource tool in regards to understanding the BEE codes and in ensuring that the verification process is a painless and rewarding experience for all involved. ABVA will soon be launching a revamped and informative web-site that will provide critical information for businesses which require information about the verification process. ABVA will also be hosting a series of educational workshops that will assist businesses in understanding the codes and the process of verification.

<http://www.abva.co.za>