

16. Documentation

- 16.1 The Verification Agency shall document matters that are significant in providing evidence that supports the verification result, and that the verification was performed in accordance with this guide.
- 16.2 Documentation shall include a record of the Verification Agency's reasoning on all significant matters that require the exercise of judgment, and related conclusions. The existence of difficult questions of principle or judgment requires the documentation to include the relevant facts that were known by the Verification Agency at the time the conclusion was reached.
- 16.3 It is neither necessary nor practical to document every matter the Verification Agency considers. In applying professional judgment to assessing the extent of documentation to be prepared and retained, the Verification Agency shall consider what is necessary to provide an understanding of the work performed and the basis of the principal decisions taken (but not the detailed aspects of the verification) to another Verification Agency which has no previous experience with the verification where this does not conflict with the confidentiality requirements of the Verification Agency. The second Verification Agency may only be able to obtain an understanding of detailed aspects of the verification by discussing them with the first Verification Agency who prepared the documentation, and where possible such an understanding should be achievable by reference to documentation only.
- 16.4 Records On BEE-Verified Clients**
- 16.4.1 The Verification Agency shall maintain records on the verification process for all verified measured entities, including all measured entities that submitted requests for verification, and all measured entities verified.
- 16.4.2 Records on verified measured entities shall include:
- 16.4.2.1 request for verification information and initial and on-going verifications
 - 16.4.2.2 justification for the time determined for verification
 - 16.4.2.3 records of complaints and appeals, and any subsequent corrections or corrective actions
 - 16.4.2.4 deliberations and decisions, if applicable
 - 16.4.2.5 documentation of the decisions, and
 - 16.4.2.6 record of Verification Certificates issued.
- 16.4.3 The Verification Agency shall keep the records on verified measured entities in

such a way as to ensure that the information is kept confidential. When records are transported, transmitted or transferred, secured handling shall ensure that confidentiality is maintained.

- 16.4.4 The Verification Agency shall have a document policy and documented procedures on the retention of records

17. Reporting Requirements

- 17.1 The Verification Agency shall evaluate the conclusions drawn from the evidence obtained as a basis for determining the scores awarded to the individual Scorecard Elements reflected in the Verification Certificate. In reaching its conclusion, the Verification Agency shall consider whether sufficient and appropriate evidence has been obtained to reduce the risk of material misstatement in the scores awarded to the individual Scorecard Elements.
- 17.2 The Verification Certificate shall be in writing and shall reflect the scores awarded to the individual Scorecard Elements and the Overall Rating or B-BBEE status of the measured entity.
- 17.3 The Verification Agency shall also provide a schedule attached to the certificate to the Measured Entity to illustrate how the scores awarded were determined.
- 17.4 Accredited Verification Agencies are required to include the SANAS logo on the Verification Certificates issued by them.

18. Appendices- Certificates

- 18.1 The following example certificates are included in Appendix 1:
- 18.1.1 Sample 1 - The standard Verification Certificate for the 7 elements of the scorecard. (The scores allocated for the specific elements selected by a QSE for verification would simply be reflected for those elements of the Verification Certificate.)
- 18.1.2 Example 2 - The standard Verification Certificate for EMEs qualifying as level 4 contributors.
- 18.1.3 Example 3 - The standard Verification Certificate for EMEs qualifying as level 3 contributors.
- 18.2 As the Verification Certificate may be made publicly available by the measured entity, for example when engaging with third parties seeking confirmation of the B-BBEE status of the entity or in tenders submitted by the measured entity, it is

19. Other Reporting Responsibilities

- 19.1 The Verification Agency may be requested by the Measured Entity to verify specific elements of the B-BBEE Codes in terms of contracts between the Measured Entity and a third party. In these circumstances the Verification Agency shall follow the requirements of this guide bearing in mind the additional requirements included in the contract between the Measured Entity and the third party. For example the reporting requirements for these verifications might differ from the reporting requirements included in this guide.
- 19.2 The Verification Agency shall consider other reporting responsibilities, including the appropriateness of communicating relevant matters that came to the attention of the Verification Agency during the verification, in a report to the management of the Measured Entity.

20. Withdrawing from the Verification

- 20.1 After a verification engagement is accepted by the measured entity and the Verification Agency concludes that the scorecard rating of the measured entity is materially misstated, the Verification Agency shall require the measured entity to rectify the scorecard. If the measured entity refuses to do so the Verification Agency should allocate a zero to the scorecard item. Should the measuring entity who refuses to rectify a score dismiss the Verification Agency, such a verification agency may not withdraw from the verification without notifying DTI of the reasons for withdrawal.

21. Minimum Procedures

- 21.1 The minimum procedures for each element of the B-BBEE Codes of Good Practice that has to be performed are attached in Appendices 2 to 8:

**Appendix 1:
Sample Certificate 1**

Insert Verification Agency Name and Logo

Broad Based Black Economic Empowerment

ng	Compliance target	Score
	25%+1 vote	
	10%	
	25%	
	10%	
	2.5%	
	Refer to Para 10.1	
	Refer to Annexure C Para 4	
	10%	
	10%	